

REPORT

(INTERIM)

OF THE

Army Sub-Committee

OF THE

Central Retrenchment Advisory Committee

1931



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Interim report of the Army Sub-Committee of the Retrenchment Advisory Committee.

Constitution.

- (1) Diwan Bahadur T. RANGACHARIAR, C.I.E., M.L.A. (*Chairman*).
 - (2) The Hon'ble Major Nawab Sir MOHAMMAD AKBAR KHAN, K.B.E., C.I.E., *Member*.
 - (3) The Hon'ble Sardar Bahadur SHIVDEV SINGH UBEROI, *Member*.
 - (4) Maulvi Sir MOHAMMAD YAKUB, M.L.A., *Member*.
 - (5) Diwan Bahadur A. RAMASWAMI MUDALIAR, M.L.A., *Member*.
 - (6) Mr. E. C. BENTHALL, *Member*.
 - (7) Mr. F. C. BOVENSCHEN, C.B., *Member*.
- Mr. A. F. L. BRAYNE, C.I.E., I.C.S., *Secretary*.

Terms of Reference.

I. To make recommendations to the Committee for affecting forthwith of by stages all possible reductions in the public expenditure of the Government of India under review of the Sub-Committee, having regard especially to the present and prospective position of the revenue. In so far as questions of policy are concerned, these will be left for the exclusive consideration of the Government, but it will be open to the Sub-Committee to review the expenditure and to indicate the economies which can be effected if particular policies are either adopted, abandoned or modified.

II. The expenditure under review of the Sub-Committee shall be that incurred in the conduct of the Army, Royal Air Force and Royal Indian Marine administrations on their business side and they shall report :—

- (a) whether the organisation of the spending departments themselves is designed on economical lines, regard being had to the demands that may be made on them in peace and war ; and
- (b) whether the methods they employ are businesslike and calculated to secure value for the money with the expenditure of which they are entrusted.

III. They shall further examine the arrangements in force for financial control of military expenditure through the Military Finance Branch and the Military Accounts Department, and report in particular on the following points :—

- (a) the efficiency of the control by the Finance Department under the present system ;
- (b) the working of the system of a stabilised military budget ;

- (c) the extent, if any, to which the institution of the stabilised budget has impaired the control of the Finance Department ; and
- (d) the efficiency of the methods employed in bringing military expenditure to account.

The report on the term of reference No. II should include answers to the following questions :—

- (i) are staffs at Army and Royal Air Force Headquarters and in Commands and Districts excessive, regard being had to modern requirements ?
- (ii) could economy be secured by further delegation of administrative and financial authority ?
- (iii) could economy be secured by the adoption in the larger military offices of more modern methods, and/or by the employment of a less expensive clerical agency ?
- (iv) are the ancillary services maintained and worked on sound economic lines ?
- (v) are any of the ancillary services maintained in peace on scales higher than are necessary for peace requirements ? If so, does this amount to over-insurance against the risk of war ? In other words, has full account been taken of the present-day resources of India in men and material ?
- (vi) is the Army over-insured in the matter of reserve stocks of stores and manufacturing capacity ?
- (vii) are the Army Factories an economical agency for the production in peace of the goods they supply ? (This test should be applied to each Factory individually). If not, is the retention of each Factory, or retention on the present scale, essential to ensure that the extra demands entailed by war will be met adequately and in time ? Is the retention in peace of the reserve of manufacturing capacity more economical than the holding of additional reserves of manufactured stores or purchase in case of emergency ?
- (viii) could economy be secured by reducing the present scales of supply or altering the specifications of articles of equipment, clothing and other stores and supplies in cases where such reduction would not endanger the efficiency and health of the troops ?
- (ix) is the present system of kit and clothing allowance and equipment allowance sound and economical or does it stand in need of modification ?
- (x) is the purchase of stores conducted on sound economic lines ?
- (xi) could economy be secured, without detriment to efficiency, by a curtailment of movements of troops and stores and/or by reduction of tours and transfers ?
- (xii) is the present method of carrying out works through the agency of the Military Engineer Services the most economical ? If not,

- could the system be modified without reducing below the essential level the reserves of personnel required in war ?
- (xiii) is any reduction possible in the numbers of non-combatant followers ?
- (xiv) could any use be made in peace of the Indian Army Reservist to secure some further return for payment made to him ?
- (xv) is any part of military expenditure of a character so abnormal and terminable that it could justifiably be financed otherwise than out of revenue ?

CHAPTER I.—INTRODUCTORY.

In view of the approaching session of the Legislature we were desired and we also consider it desirable to prepare at this stage of our proceedings an interim report for the information of the main Retrenchment Advisory Committee and, through them, of the Legislature and the Government. We propose to set forth in this report the progress which we have achieved, the conclusions at which we have already arrived and the further enquiries which we intend to pursue on various aspects of the problem before us. Though we have been able to cover a considerable portion of our wide field of enquiry since our Committee was constituted, the volume of evidence which we have collected and the complexity of our problems make it impossible for us, in so short a time, to complete entirely our examination of this first portion or to survey the whole field. Important subjects such as factory administration, the ordnance services, the organisation of the staffs at Army Headquarters and Commands and the system of financial control require much fuller investigation and, even in those subjects to which we have already devoted considerable attention, we have to await further information on certain points of detail.

2. Our Sub-Committee was constituted on the 26th May 1931 consequent upon a recommendation made by the main Retrenchment Advisory Committee that the examination of expenditure of the central Government should be divided amongst six sub-committees to be composed of members of the main Committee with the addition of one or two members selected from outside the Legislature on account of their special experience and qualifications. In our case these two members are Mr. E. C. Benthall selected on account of his wide Indian commercial experience and Mr. F. C. Bovenschen, C.B., an Assistant Secretary of the War Office, whose services have been lent for our enquiry (in a personal capacity and not representing the War Office in any way) on account of his experience of military finance and organisation. The Committee remained at full strength until the 7th of August when two of our colleagues—Mr. Benthall and Dewan Bahadur A. Ramaswami Mudaliar—were compelled to leave to attend the Round Table Conference. Our experience of the invaluable assistance which they rendered to our enquiry during the period they were with us and the results of a discussion which we held with them on the eve of their departure have made us fully sensible of the great loss which our Committee has incurred by their departure and we hope to have their assistance again by the time we propose to renew our enquiries.

3. Our terms of reference were discussed by the main Committee particularly with regard to the addition of the general terms of reference to all

Sub-Committees and it was decided that the Chairman of our Sub-Committee should settle the exact form after consultation with His Excellency the Army Member. After this consultation had been held, the terms took their present form. It will be observed that our enquiry is restricted to the administrative and business side of the Army and that the strength and organisation of the fighting services are not open to our consideration. We are sensible of the limitations thus imposed to the completeness of our enquiry inasmuch as the organisation of that side of defence administration with which we deal must largely depend upon those problems which lie outside our view. On the important general question of pay and allowances, which is responsible for so much of the expenditure on defence, we have ascertained that, while it is not open to us to take evidence, we are not precluded from examining this question and making such comments as we may wish upon the information at our disposal. It is, of course, open to us to consider the question of allowances not merged in pay—such as kit and clothing allowances—and also to deal with the pay of the ancillary services in its bearing on the question of further Indianisation.

4. As soon as our Sub-Committee was formed, the Chairman discussed with the Secretary the general lines of procedure and after further consideration the Army Department was addressed on the 5th June in a memorandum which set forth the nature of the information which our Committee desired upon the subjects assigned to its enquiry (*vide* Appendix A). Meanwhile the Chairman and Mr. Bovenschen after his arrival devoted themselves to a thorough examination of the military estimates as a result of which a preliminary general questionnaire was issued to the Army authorities (*vide* Appendix B). The Chairman further took advantage of his stay at Bangalore to avail himself of the facilities afforded him by the Army authorities to inspect during ten days various important formations at that military station. The Chairman and Dewan Bahadur A. Ramaswami Mudaliar visited the Medical Store Depot at Madras before they left for the first meeting. The first meeting of our Committee took place on the 13th July at Calcutta and lasted till the 22nd July, during which time we devoted ourselves to a study of the memoranda which had been received from the Army Department and prepared in great detail questionnaires upon Military Finance and Accounts, Animal Transport, Mechanical Transport, other transportation charges, Supplies, Remounts and Medical Services. In addition, we devoted two days to visiting the three Army Factories at Ishapore and Cossipore and one day to the oral examination of the Superintendents of those factories. We also visited other formations at Calcutta such as the military hospitals, the medical store depot and the auxiliary and territorial units. A communiqué was issued inviting suggestions for economy from the general public, but so far it has elicited a very poor response.

5. On 22nd July our Committee, with the exception of Mr. Benthall, left Calcutta for Cawnpore where we spent two days on an examination of the Harness and Saddlery Factory, the Inspection Offices, the Ordnance and Supply Depots and the Grass and Dairy Farms, and we also took certain evidence on the work of these formations. On the 27th some of our members visited the Clothing Factory at Shahjahanpur. Our Committee resumed its enquiry at full strength at Simla on 30th July, settled the future programme and prepared questionnaires on Dairy Farms, Veterinary Services, Auxiliary and

Territorial Forces and Miscellaneous Services under the Adjutant General. On 31st July we had the advantage of a discussion with the Chief of the General Staff upon important questions of policy underlying the organisation and equipment of the Army and upon conditions prevailing on the Frontier. On 1st August we took preliminary evidence on the Military Engineer Services in view of the fact that two of our colleagues would shortly be proceeding to the Round Table Conference. On the 3rd August we examined the Financial Adviser and the Military Accountant General on military finance and accounts and dealt with questionnaires on cantonment and ecclesiastical expenditure. On the 4th, 5th and 6th the Quarter-Master General, the Director of Supply and Transport and the Director of Contracts gave evidence before us on Supplies, Animal and Mechanical Transport, other transportation charges, the system of Army contracts and we also prepared a questionnaire on the Royal Air Force.

The 7th August was devoted to a general discussion in order to elicit the views of our colleagues, Messrs. Mudaliar and Benthall, particularly on matters which had already come before us, and the 8th to consideration of questionnaires on kit and clothing allowances, Army Education and Schools of Instruction. A note of the discussion on the 7th is appended. (Appendix C.).

On the 10th, 11th and 12th we examined the Director of Medical Services and the Director General of the Indian Medical Service on the Medical Services and the Medical Stores Depots and on the 12th and 13th the Quarter-Master General gave evidence on the Remount Department, Farms and Veterinary Services. On the two subsequent days we discussed with the Auditor General, the Financial Adviser and the Military Accountant General certain questions relating to financial control and the system of accounts and audit, and with the Controller of Army Factory Accounts, certain points relating to factory finance and prepared questionnaires on the Royal Indian Marine and the Military Engineer Services. The questionnaires for all heads are given in Appendix D.

On the 17th August the Chairman and another member visited certain branches of Army Headquarters to investigate the system of work and on the 18th three members visited the hill stations of Kasauli and Dagshai. On the 19th and 20th the officiating Adjutant General gave evidence on various miscellaneous subjects under his control such as Hill Moves, Rest Camps, Recruiting, etc. On the latter date also the Quarter-Master General again appeared before us to discuss the policy governing expenditure on military works. On the 22nd we discussed with the Chief Controller of the Indian Stores Department and the Director of Contracts certain important subjects bearing on the relations between these two organisations. On the 24th and 25th we took up the examination of Army Education and Schools of Instruction with the Director of Military Training and of kit and clothing allowances with the officiating Master-General of Ordnance. On the 26th the Air Officer Commanding gave evidence on the expenditure of the Royal Air Force and on the 27th we completed our list of witnesses at this stage by examining the Army Secretary and the Director of Military Lands and Cantonments on cantonment expenditure and the former on the ecclesiastical grant. From that date onwards we were engaged upon the consideration of this interim report.

6. Our examination of witnesses took the shape of eliciting further information on the replies to our questionnaires and discussion with them of various suggestions which we considered might lead to economy either at an early date or in the future. At this stage we desire to take the opportunity of expressing our high opinion of the remarkable thoroughness and efficiency which characterized the information which has been supplied to us both in the original memoranda and in the replies to our questionnaires. The Army authorities have spared no pains to furnish us, often at very short notice, with additional materials which we desired. Further we have been particularly impressed with the thorough grasp of their subjects which the witnesses displayed, and with the freedom from restraint with which they discussed all questions with us and especially with the readiness with which they undertook to consider all suggestions for economy which emerged from our discussions, in many cases even when the written replies to our original queries had offered us little encouragement.

7. At this stage of our report Mr. Bovenschen desires to draw attention to the note which he has appended to it and to emphasize that his concurrence in the general lines of the report and the particular recommendations made in it is subject to the terms of the note and the reservations it contains.

8. Before we proceed to a general consideration of the growth of expenditure on the fighting and other services we must touch briefly upon the general policy which underlies the present scales of armament and organisation of the army, which policy we had the advantage of discussing at length with the Chief of the General Staff. That policy we understand may be restated as in the resolution which was carried in the Legislative Assembly in March 1921 :—

“ That the purpose of the Army in India must be held to be the defence of India against external aggression and the maintenance of internal peace and tranquillity. To the extent to which it is necessary for India to maintain an Army for these purposes, its organisation, equipment and administration should be thoroughly up to date *and, with due regard to Indian conditions*, in accordance with the present day standards of efficiency in the British Army, so that when the Army in India has to co-operate with the British Army on any occasion, there may be no dissimilarities of organisation, etc., which would render such co-operation difficult. For any purpose other than those mentioned in the first sentence, the obligations resting on India should be no more onerous than those resting on the Self-Governing Dominions and should be undertaken subject to the same conditions as are applicable to those Dominions.”

We would add here that the second clause of the Resolution was to the following effect :—

“(b) To repudiate the assumption underlying the whole Report of the Esher Committee :—

- (1) That the administration of the Army in India cannot be considered otherwise than as part of the total armed forces of the Empire, and

- (2) That the military resources of India should be developed in a manner suited to Imperial necessities."

An amendment to this part of the resolution was moved by the Army Secretary but was negatived by the Assembly after a division.

We further understand that the accepted policy connotes not merely a defensive attitude but the power to strike readily and effectively when required, and that therefore the forces should be maintained in a complete state of readiness for action and with the full complement of ancillary services and transport on modern lines.

We have further elicited the fact that the armament and organisation are maintained on scales which are determined solely by this limited scope of action and not with reference to a wider field in areas far beyond the Indian frontier, i.e., the Army is organised for Indian campaigns only. Thus while the Imperial organisation is followed, the scales of equipment are adapted to Indian conditions, e.g., fewer guns and machine guns exist in fighting units than in the corresponding units at home.

We refer to this question especially because the opinion has been advanced in certain quarters that the standards adopted throughout are excessively high and that they have been determined by considerations which are the result of experience in a wider sphere of operation than that in which the Army in India is primarily intended to operate and in anticipation of responsibilities of a kind differing from those which the policy of Government contemplates.

9. While we appreciate the readiness which we have seen evinced during the course of our enquiry by many of the officers who appeared before us, to receive suggestions for economy, it is necessary that, at this stage, we should record a few impressions which the majority of us have received from a perusal of the records and from statements of witnesses. In the first place, we were struck by the great—almost revolutionary—change which has taken place in the military view since the great war. A new conception arose, after the war, widely differing from that on which the pre-war army was based, as to the proper organisation and equipment of the Army in India. The post-war view, based no doubt to some extent on the experience gained in the great struggle, was that the pre-war condition of the Army left much to be desired. In a note written by the Chief of the General Staff which has been furnished to us it is stated:—

"Before the war the Army in India, though nominally consisting of nine divisions was, for all practical purposes, a paper army, comprising a large number of individual cavalry and infantry units, with a small proportion of artillery, engineers and pioneers. There was no signal service; peace establishments were so inadequate that to effect mobilization of war formations, internal security units had to be depleted. The ancillary services were either non-existent or undeveloped, the personnel required on mobilization having to be drawn from combatant units. There was no reliable machinery for expansion; and practically no organisation for the manufacture or provision of munitions and stores. The arms were obsolescent if not obsolete—every Indian soldier landing in France had to be

re-armed with a modern rifle on arrival—and the standard of equipment was so low that troops were at a grave disadvantage when pitted against forces equipped on a modern basis. In respect of hospital equipment and medical establishments the Army in India was markedly inferior to other armies.”

It was from this point of view, not unnatural perhaps, that the uprooting, organisation and re-organisation of the various branches of the service after the war were begun and large programmes of amenities and comforts were undertaken. Whatever the accepted policy might be as to the objects for which the Army in India is maintained, the lessons learnt in the European War must have affected the military outlook as to efficiency and preparedness and we cannot help sharing in the doubt expressed by the 1st Innes Committee of 1922 in regard to Army Headquarters, whether the Government of India appreciated to the fullest extent the financial repercussions which the schemes of organisation and re-organisation involved and whether the standard of efficiency aimed at did not involve a cost higher than the country could permanently afford. Efficiency at that time must have meant to the military administration, fresh from the experience of the great war, standards higher than those that may be considered necessary today. Immediately after emerging from the war, it was probably forgotten that any peace system which is not extravagant in establishment must necessarily be profoundly modified to meet abnormal emergencies and that the peace system can only be adequate for the ordinary purposes for which the Army in India is maintained and the normal contingencies which it may be expected to meet. In examining the growth of expenditure since 1914 we have to take note of the fact, moreover, that the Army in India before the war performed its duties satisfactorily and it may be that the experience of the great war tended to exaggerate the extent to which the re-organisation of that army was necessary to meet the changed and changing conditions it might be called upon to face within its appropriate sphere. Moreover, there are certainly policies in force in the Army, such as the definite exclusion of Indians and civilians from certain spheres of employment where they could have been employed at less cost to the state, and, in our view, without loss of efficiency, which also account for large items of expenditure. We realise that, since the first post-war re-organisation of the Army, considerable and successful efforts have been made to reduce Army expenditure, but we have to examine in the light of the considerations mentioned above whether those reductions should not be carried still further and whether normal present day Indian requirements could not be met at a cost more in accord with India's financial position.

10. We have been informed that the total strength of Army Establishment has varied as follows :—

	1914.			1922.			1931.		
	Officers.	British Other Ranks.	Others.	Officers.	British Other Ranks.	Others.	Officers.	British Other Ranks.	Others.
Fighting Services ..	4,896	72,882	216,355	4,246	65,805	209,116	4,200	56,190	186,389
Administrative Services ..	1,020	1,701	47,758	1,810	4,034	60,266	1,615	2,947	57,060
Manufacturing Establishments ..	56	222	1,494	71	207	2,315	78	103	2,098
Staffs ..	452	..	1,274	721	375	1,830	558	..	2,238
Auxiliary and Territorial Forces	60	310	430	98	393	928	160	409	17
Military Engineer Services ..	145	246	1,169	245	290	1,140	220	313	1,648
Others ..	32	449	888	60	115	1,100	37	92	289
Total ..	6,661	75,810	269,368	7,251	71,019	276,695	6,868	60,063	249,739

The total strength of animals for the same years is as follows :—

						1914.	1922.	1931
Horses	..	..	..	..	..	27,772	36,013	30,155
Ponies ..	..	..	..	..	..	1,745	1,784	1,228
Mules ..	..	..	..	..	..	38,497	34,411	29,023
Bullocks	..	..	..	..	..	6,368	1,112	1,556
Camels ..	..	..	..	..	..	9,367	14,259	4,512
Elephants	..	..	..	..	..	15	..	..
Total ..						83,764	87,579	66,474

As regards strength of personnel, we quote the following analysis from a note by the Chief of the General Staff which has been furnished to us :—

“ As compared with 1914 the reconstituted Army (in 1920) represented a reduction in active ranks of 7,716 British and 16,191 Indian and an increase in reserve ranks of 1,365 British and 27,471 Indian. On a basis of cost, counting four reservists as the equivalent of one active soldier, this represented a net reduction of approximately 16,700. Since 1920, further reductions comprising 9,500 British and 12,500 Indian ranks have been made in the Army, against an increase of 2,200 British and 266 Indian ranks in the Air Force. The reserve has also been reduced by some 30,400 men. This represents an aggregate net reduction of 15,000 British and 28,000 Indian active ranks and of about 3,000 reservists as compared with 1914 ”.

The figures in this statement differ to some extent from those given in the table above, but do not greatly affect the appreciation of the position. At this point we would note that in the course of our enquiry we have found it often difficult to establish complete agreement between statistics supplied to us for these several years owing to the varying ways in which the figures have been compiled.

It must be recognised that the Army authorities have displayed a keen desire to reduce expenditure on the Army and it will be our duty to examine under the various heads whether the large reduction in fighting strength has resulted in a reduction in expenditure in other directions proportionate or nearly proportionate and if not, to investigate the reasons and make our comments thereon.

11. The ancillary and administrative services are maintained for the supervision and training, for housing, feeding, clothing, equipment and transport and for the maintenance of the health and general well-being of the fighting services. The table in the previous paragraph shows that the proportion of the personnel maintained in these services to the numbers of the fighting troops has increased from 19 per cent., in 1914 to 28 per cent. today and that, while the total number of fighting troops has fallen since that date by about 16 per cent., the number maintained in the administrative and ancillary services has increased by 21 per cent. Of the total cost of pay and allowances (27 crores), 37 per cent. or 10 crores is due to

administrative and ancillary services. It is to the latter services that our attention will be mainly directed under our terms of reference and these statistics are most significant. The fighting services to-day, including the Royal Air Force, are composed of about 4,450 British officers, with King's Commissions, 3,300 officers with Viceroy's Commissions, 58,000 British other ranks and 128,000 Indian other ranks, to which must be added about 21,000 followers. For these fighting troops are maintained in the services to which we now refer, about 2,800 officers with King's Commission (including lady nurses and officers of civilian superior services), 3,500 British other ranks (including departmental officers), 1,400 Indian officers, 22,000 Indian other ranks, 11,000 clerks and civilians and about 19,000 followers. Of these the administrative staff accounts for 580 officers, 460 British other ranks, 13 Indian officers, and about 2,000 clerks and followers. It will be observed that the proportion of officers with King's Commissions in these services to those in the fighting services is extraordinarily high. In the Medical services alone the sanctioned establishment includes nearly 1,100 officers and departmental officers holding King's Commissions.

12. We now proceed to a brief review of the course of military expenditure since the war for the details of which we are indebted to a very clear memorandum by the Financial Adviser, Military Finance, which has formed the starting point of our enquiry and from which we shall frequently quote.

In 1913-14 before the war the net expenditure on defence stood at Rs. 29 crores. By 1921-22 just before the Inchcape Committee held its enquiry the cost had risen to Rs. 68 crores, an increase which was attributed by that Committee to—

- (a) the general rise in prices ;
- (b) the enhanced rate of pay granted to all ranks ;
- (c) improvements in the standard of comfort and amenities of the troops ;
- (d) additions to and improvements in equipment and the adoption of a higher scale of training ;
- (e) the increase in non-effective charges.

The retrenchments enforced as a result of the examination of the Inchcape Committee and other economy measures reduced the scale of expenditure from Rs. 68 crores in 1921-22 to 54½ crores in 1927-28 despite extra expenditure on pay and allowances of officers and Lee concessions amounting in all to Rs. 60 lakhs. By that time a serious situation had arisen as it was maintained that the equipment of the Army was falling below the standards required for a modern army, and it was estimated that an expenditure of Rs. 10 crores would be required within the next few years to put the defence forces on a proper footing. At the same time the finances of the country could not contemplate such a burden and the eventual solution of the dilemma was a decision to stabilise the military budget at an annual figure of Rs. 55 crores for the next four years in the hope that at that rate of expenditure and by that period and with the consequent permission to utilise all savings they might secure by an intensive campaign of economy, the military authorities would be able to complete the programme of rehabilitation. This arrangement, we understand, lasted for the

two years 1928-29 and 1929-30. Thereafter the serious deterioration of the financial position led to modification of the arrangement and the military budget dropped to Rs. 54.2 crores in 1930-31. In the current year it has been further reduced to Rs. 52 crores. During the period of its operation a considerable advance has been made with the special programme, the expenditure including the current year's allotment being about Rs. 6.7 crores, while over Rs. 4 crores have been expended on amenity measures such as barracks and hospitals, electrification and water supply in the last four years. We shall have occasion at a later stage to deal with the question of the 'contract' budget and its implications and results.

13. Of the present budget estimate of Rs. 52 crores for the current year, Rs. 50.5 crores represent established charges and Rs. 1.5 crores provisions for new measures. Out of the total the net expenditure in England amounts to Rs. 11.8 crores, the main items being non-effective charges Rs. 4 crores, stores Rs. 2.21 crores, and capitation charges Rs. 2 crores. The total gross budget estimate is distributed amongst the various controlling authorities as follows :—

INDIA.					
<i>Gross expenditure.</i>					
					Rs. (laks).
Government of India	..	..	..	..	81.45
Chief of the General Staff	..	..	..	..	2,16.34
Adjutant General	..	..	..	..	21,39.26
Quartermaster General	..	..	..	..	13,00.43
Master General of Ordnance	..	..	..	..	3,17.85
Director-General, Indian Medical Service	..	..	..	..	32.30
Assistant Military Secretary	..	..	..	..	4.12
Military Secretary (Viceroy)	..	..	..	..	1.13
Military Secretary (Commander-in-Chief)	..	..	..	..	2.58
Military Accountant General	..	..	..	..	1,13.46
Establishment Officer	..	..	..	..	14.10
Army Ordnance Corps	..	..	..	..	1,20.84
Unallocated	..	..	..	..	14.21
Total				..	43,58.07
ENGLAND.					
<i>Gross expenditure.</i>					
					Rs. (laks).
Secretary of State	..	..	..	..	10,35.36
High Commissioner	..	..	..	..	2,54.14
Total				..	12,89.50

The amount directly administered by the four Commands is Rs. 4 crores. The expenditure on pay and allowances amounts to Rs. 27 crores under all

heads of which 17 crores are on fighting services and 10 crores on administrative and ancillary services.

14. We have been informed that of recent years the Army Budget has been increased by the inclusion of certain expenditure previously not charged to this budget, of which the main items are payments for customs duty on military stores (24 lakhs) and payments for printing and stationery (15 lakhs). The net effect of such additions and a few minor transfers from this head amounts to 38 lakhs. Further, we have been given an analysis of the main reasons which have led to a fall in the established charge, from 1927-28 (the year before the "stabilized" budget) to the present day. That decrease amounts to Rs. 372 lakhs of which the main items are :—

	Lakhs.
	Rs.
(a) Reduced pay of British troops	82
(b) Net decreases in non-effective charges	36
(c) Reduction in expenditure on Aden	13
(d) Fall in prices of stores and supplies	80
(e) Economies in rail charges and travelling expenses	39
(f) Reduction on account of specific reorganisations and retrenchments	56
(g) Other reductions attributable mainly to the effect of the intensive economy campaign (particularly in Ordnance stores and clothing)	66
Total ..	372

That is to say, out of the total reduction in the established charges since 1927-28 about Rs. 2,10 lakhs is due to automatic causes and about Rs. 1,62 lakhs to the direct action of the Army authorities during the course of the economy campaign.

15. We would next refer to the amenities and improvements in the standards of comfort of the troops which have been granted of recent years apart from increase in pay. From the lists forwarded to us we select the following principal items :—

- (1) Improved barrack and hospital accommodation and electric lighting amounting to over 4 crores in the last four years.
- (2) Increase of establishment of the Army Dental Corps in 1927.
- (3) A military nursing service for Indian troops sanctioned in 1926.
- (4) Appointment of female sub-assistant surgeons in important stations to attend families of Indian troops.
- (5) Anti-malarial measures since 1925.
- (6) Mosquito-proofing of several hospitals and barracks.
- (7) Improvement in rules for free furlough to British and Indian troops.
- (8) Improvements in the scale of rations for British and Indian troops.
- (9) Improvements in clothing scales, e.g., blankets, mosquito nets and in scales of furniture.
- (10) Housing schemes for factory labour.

We shall have occasion to deal with some of these new items in the course of our enquiry.

16. The gross expenditure with which we are directly concerned is as follows :—

[In thousands of rupees.]					
Administrative services	..	..	..	..	7,31,74
Manufacturing establishments	..	..	..	..	3,21,00
Staffs	..	..	..	..	2,16,96
Purchase of stores, etc.	..	..	..	..	4,87,00
Transportation, etc...	..	..	..	..	3,24,93
Military works	..	..	..	..	4,55,66
Total					25,37,29

In addition we are concerned with the major portion of the expenditure on the following :—

Marine	..	..	..	..	84,22
Auxiliary and Territorial Forces	..	..	..	..	91,03
Royal Air Force	..	..	..	..	2,22,12
Total					3,97,37

As we have already stated, there are also various allowances, amounting in all to a considerable sum which appear under the head Fighting Services, which will come under our review, *e.g.*, kit and clothing allowance, messing allowance, syce and forage allowance, miscellaneous contract and contingent allowances.

17. We will now deal with the examination which we have so far made of each of these main heads. As regards administrative services the heads of net expenditure are as follows :—

				1914.	1931.	Percentage of each to total in 1931.
Educational and Instructional Establishments	..	..	..	12,50	69,03	9.5
Army Education	..	..	..	12,16		
I. A. S. C.	..	..	..	68,34	1,89,88	26.3
Remounts	..	..	..	17,93	26,35	3.6
Army Veterinary Services	..	..	..	4,75	9,94	1.3
I. A. O. C.	..	..	..	22,22	73,74	10.2
Medical Colleges	..	..	..	91	2,97	.4
Medical Services	..	..	..	79,74	1,60,39	22.2
Military Accounts	..	..	..	30,50	1,16,25	16.1
Ecclesiastical	..	..	..	4,27	4,72	.6
Cantonments	..	..	..	13,09	16,58	2.3
Miscellaneous Services	..	..	..	10,59	49,70	6.9
				2,77,00	7,19,55	

While we generally show the strength of establishments for the year 1922, we have not always been able to give the figures of expenditure. We are informed that the cost accounting system was in force in that year and it would be extremely difficult to separate "cash" and "cost" figures in the accounts of that year.

CHAPTER II.—ARMY SCHOOLS OF INSTRUCTION.

The cost has varied as follows :—

1913-14.	1921-22.	1931-32.
12,50,000	34,10,000	36,14,000

The expenditure provided under this head for the current year is as follows :—

	Rs.
Physical training	1,60,750
Staff College	7,15,000
Small Arms School	5,80,000
Equitation School	2,52,000
Senior Officers' School	1,83,000
Artillery School	1,72,000
Tank Corps School	2,21,000
Signal School	1,40,000
Training grants	7,56,000

The above does not take into account the heavy expenditure on travelling of students to the schools and back.

2. The total staff employed and the outturn of these schools are as follows :—

	British Officers.	British Other Ranks.	Indian personnel and other ranks.
Staff	78	171	568
Outturn	879	830	1,753

The total number of officers in the fighting units is about 4,000 and therefore it appears that more than one officer out of every five is under training each year in the various schools. Apart from the cost of instructional staff, the cost of travelling allowances must be very heavy and, on a moderate estimate, must amount to between 3 and 4 lakhs of rupees.

3. Here as elsewhere in the Army a high standard is aimed at and, though we are informed that the annual output of each school is determined by the actual requirements of the various units, it also appears that, in many cases, trained instructors do not continue to perform their duties for long. There is a continuous and correspondingly expensive turnover and full advantage of the training is not secured. While we do not wish to reduce the standards of training to an extent which would result in serious inefficiency in the fighting services, we are definitely of opinion that a reasonable reduction must be made under this head.

4. All but one of us therefore recommend that the Physical Training Schools and physical training supervisory staffs should be abolished, at least for

a period of years and also that the School of Equitation be similarly suspended, saving at least Rs. 4½ lakhs. The necessary training during the period of suspension should be carried out in the units concerned by staff already trained.

5. As regards other schools we make the following recommendations in matters of detail—

✓ *Staff College.*—We have considered the possibility of amalgamating this college with the Staff College at Camberley but are informed that the proposal would not lead to economy. We note that there are 11 officers for this college, including a medical officer; we doubt the necessity for a separate medical officer in this college close to a large station like Quetta. The number of students is stated to be only 58 and the teaching staff would appear capable of further reduction. We therefore propose a reduction of 3 officers, including the Medical Officer. Further saving should be possible under travelling charges as we consider it excessive to allow each officer to convey at State expense two horses and a motor car to the college. The approximate saving under this school should be Rs. 60,000.

✓ 6. *Senior Officers' School.*—We have discussed with the General Staff the necessity for the retention of this school which we accept, but we think that the staff is excessive for the outturn and, with one exception, we would reduce the number of instructors to 4. The saving is estimated at Rs. 45,300.

✓ 7. As regards the Small Arms School, the Artillery School and the Tank Corps School we consider that economy should be effected by a reduction for some time by one-third of the normal number of students trained annually at these schools. This will effect a saving in travelling allowances and permit of some reduction of instructional staff at each school. In the alternative we recommend the appointment of a number of unseconded officers or retired officers on the staff in place of the present seconded staff. The approximate saving may be put at Rs. one lakh.

✓ 8. In general for all schools we recommend a reduction of the numbers of British other ranks and that Indian officers should as far as possible be appointed in the place of those who remain.

✓ 9. The annual training grant, amounting to over 7 lakhs, is utilised for expenditure on manœuvres, training camps, staff and regimental exercises and training conferences. Of this amount one lakh is a recent addition. The remaining items out of the total of Rs. 7,56,000 relate to field-firing stores artillery target grant and assault-at-arms grant. We consider that the financial stringency necessitates a reduction of expenditure on such training and we recommend that the total provision under this sub-head be reduced by Rs. 1,56,000.

ARMY SCHOOLS OF INSTRUCTION.

Summary of Recommendations.

Recommendation.	Initial saving.	Recurring saving.	Saving next year.
	Rs.	Rs.	Rs.
* (1) Closing of Physical Training and Equitation Schools	4,00,000	4,00,000
* (2) Reduction in number of instructors at Senior Officers' School	45,000	45,000
(3) Reduction by 30% of number of students attending 3 schools	1,00,000	1,00,000
(4) Reduction of 2 instructors and medical officer at Staff College	60,000	60,000
(5) Reduction of training grants..	1,56,000	1,56,000
Total	7,61,000	7,61,000

* Majority recommendation.

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CHAPTER III.—ARMY EDUCATION.

1913-14.	1921-22.	1931-32.
12,16,000	27,25,000	32,89,000

The expenditure for the current year is distributed as follows :—

	Rs.
Supervising and Inspecting staff	2,63,000
Garrison, etc., Schools for British troops	11,51,000
Do. do. Indian troops	86,000
School of Education	3,48,000
Lawrence Schools (including Lovedale)	6,67,000
R. I. M. College	2,41,000
Kitchener College	1,88,000
King George's Royal Military Schools	2,16,000
Miscellaneous	3,66,000

2. As regards the cost of inspection and of the education of British and Indian troops and their children, we have been shown a statement which distributes the total expenditure as follows :—

	Rs.
British Troops	7,83,000
Indian Troops	9,08,000
Children of British soldiers	5,31,000

As regards Indian soldiers, it is clear that the Rs. 86,000 shewn in paragraph 1 above does not represent the whole cost as the pay and allowances of instructors, etc. in Indian units estimated at Rs. 3,62,000 is included under the head "Fighting Services". On the other hand, it is doubtful whether the cost of inspection should be divided proportionately between British and Indian troops as the whole system depends very largely on the policy governing the education of British troops, which is that they should enjoy facilities in India no less than those maintained for British troops at home.

3. The majority of our Committee think that the policy must be modified, having regard to the financial resources of the country and its inability to afford proper standards of education for its own citizens. While they recognise the obligation of the State to educate its soldiers, whether British or Indian, they think there should be a limit to the cost involved by this obligation on financial grounds and having regard to the wide-spread illiteracy which prevails throughout the country. One of our number holds that, as the Secretary of State has undertaken the responsibility of providing the same facilities for British soldiers in India as they enjoy at home, the Committee should not seek to brush aside that responsibility and, while agreeing with the main recommendations in this chapter, he is unable to agree to lowering of the present standards of education. Another draws attention to his views expressed in the note attached to this report.

4. There are 40 officers of the Army Education Corps in India of whom 14 are on the permanent Indian service and the remainder serve for 5 years. They are distributed as follows : 3 in Commands, 18 in districts and 9 at the School of Education. There are also 125 Warrant officers maintained in order to provide one corps instructor with each British unit. The British officers supervise both British and Indian education. Indian units maintain their own instructors who have been educated at the School of Education and

get extra pay. The following statement compares the state of education in British and Indian troops in 1930 (percentages to strength):—

				British.	Indian.
Uncertificated	..	..	..	1·6	60
3rd Class	..	..	..	17·3	23
2nd Class	..	..	..	63·4	15
1st Class	..	..	..	17	2·8

As regards education of British children, we were informed that about 2,500 attend Army schools and that there are some 90 children where there are no Army schools who get special grants. The number of schools is 72 and the average attendance at each 37·5. The number of school mistresses and pupil teachers is shewn as 110.

5. After full consideration of the subject, the majority of us recommend that —

- (a) the three Command appointments should be abolished,
- (b) circles of inspection should be enlarged and district inspectors reduced from 18 to 9. The question should be considered whether the civil education authorities cannot be utilised for inspection work in order to reduce further the number of A. E. C. officers. Indian troops' adult education should be inspected by the officer commanding who can, if he wishes, obtain the assistance of the remaining A. E. C. officers or civil inspectors,
- (c) the 125 Warrant officers of the A. E. C. should be reduced to 112, and smaller units and detachments should be attached to larger units for education purposes,
- (d) education of the soldier should not extend beyond the second class certificate,
- (e) as regards education of children, the annual cost of the present system is variously stated as Rs. 165 to Rs. 200 per head whereas grants given to children attending civil schools vary from Rs. 74 to Rs. 148 a head. We consider that it would effect substantial economies if the separate Army schools were abolished in stations where civil facilities exist and if allowances on the scale stated were paid instead. Where there are no European civil schools and there are 20 or more Army children, an Army school may be maintained but teaching staff should be locally engaged in India and the present system of importing European School mistresses at increased expense discontinued.

6. *School of Education, Belgaum.*—The object of this school is to train educational instructors for British and Indian troops and to give British and Indian officers such instruction as is necessary to enable them to supervise educational training in their units.

The outturn is 680 per annum distributed as follows:—

British officers	..	..	..	..	..	101
British N. C. Os.	..	..	..	..	..	155
Indian N. C. Os.	..	..	..	..	..	424

The outturn is stated to be based on the provision of one N. C. O. per squadron or company. The Chief of the General Staff has agreed that economy

is possible in regard to this school. We are informed that it is proposed to provide for 2 instructors only for each unit and to close the course for British officers. The saving is estimated at Rs. 75,000 a year. We recommend that these proposals be carried into effect without delay.

7. *Royal Indian Military College, Dehra Dun.*—This institution is intended to afford preliminary education on the lines of English Public Schools to the sons of Indian gentlemen who desire to qualify for King's Commissions in the Indian Army through Sandhurst, etc. The future of this school has been under discussion in the Sandhurst Committee. At present the cost of the school is Rs. 2,41,000, against which there are receipts of Rs. 1,50,000 from fees. The staff consists of 9 British and 7 Indian masters. We consider that the retention of the school must depend upon the solution of the Indian Sandhurst question. If it is to be retained, we recommend that it should be considered whether British masters are essential and whether the school should not be made self-supporting by reducing expenditure or increasing fees or both.

8. *King George's Royal Indian Military Schools.*—These schools exist for the purpose of affording a sound general education to the sons of Indian officers and other ranks with the object of fitting them for a career in their father's regiment or corps. There are three schools at Ajmere, Jullundur and Jhelum. The cost of the three schools is Rs. 2,16,000 less Rs. 28,000 received from parents on account of fees. Approximately 570 boys are at present being trained. We agree that these schools should be of great value to the Indian Army and we, therefore, make no recommendations.

9. *Kitchener College, Nowgong.*—This college was founded in 1929 largely out of funds subscribed by Princes and Ruling Chiefs. The college is intended to prepare Indian non-commissioned officers for promotion to Viceroy's commissioned rank and to educate them up to a higher standard than can be attained in the units. 152 students are turned out annually. We note that there is a medical officer of the I. M. S. on the staff as well as a sub-assistant surgeon. We consider that the former appointment should be abolished.

10. *The Lawrence Schools.*—These schools, four in number, were founded either by or in memory of Sir Henry Lawrence to provide a home and education in a good climate for orphans and children of British soldiers and ex-soldiers. The school at Sanawar is controlled by the Army and the others by the local Governments concerned. The Lovedale School near Ootacamund gets a subsidy from military estimates of Rs. 2,30,000. The total net cost of the four schools is Rs. 5,91,000. We consider that there is no justification for the Army continuing to support these schools from which hardly any benefit accrues to the Army and which minister largely to people merged in the general population. We recommend that the military estimates be relieved of this expenditure.

11. Under this head there is a further provision of Rs. 6,02,000 for miscellaneous expenditure. We have already referred to the chief item, namely the grant of Rs. 2,30,000 to the Lawrence School at Lovedale. We have the following comments upon other items in this head :—

- (a) The scholarships to British soldiers' children amounting to Rs. 13,000 should be discontinued.

- (b) Rewards should cease to be paid to officers serving with Indian units for passing in Indian languages. About Rs. 60,000 would thus be saved.
- (c) The question of educational assistance to Indian Unattached List ranks will be reviewed when we deal with these establishments as a whole.
- (d) No more expenditure should be incurred for the present in sending officers for language study to Japan, China, etc., thus saving Rs. 68,000.

12. It is not without considerable reluctance that the majority of our Committee have made their recommendations regarding the curtailment of the scope of education both in British and Indian units. In recommending that the liability of the State should not extend beyond the second class certificate course for the soldier they have taken into account the courses of instruction which the soldier undergoes to obtain that certificate and the knowledge which he is expected to possess and they see from the manuals of Educational Training both for the British Army and the Indian Army that they are much higher than the Primary Education Standard. The financial position of the country at the present time is very critical and at such a time and in such circumstances it is unjustifiable to impose on the State responsibility of such a high order for the education of a very small section of the population. It is the more unjustifiable in a country like India where the State has been unable to educate more than a fraction of the vast millions even up to the elementary standard. The majority of us hold that it is well known that the extent of illiteracy prevailing in the land is so great as to have been the subject of severe comment and criticism both from within and without. The literate population of India is only about 72 per thousand males and 18 per thousand females and the cost to the State per scholar comes to only Rs. 23-7-1 for the Indian population. While admitting the high value of giving secondary education to adults and vocational instruction also, the majority feel that the country is not justified in spending money on these objects in the case of soldiers alone. It is admitted that to extend the system of vocational instruction to Indian soldiers or to start regimental schools for their children cannot be thought of on account of the financial commitments involved. The wisdom of undertaking an obligation under such circumstances to impart secondary education and vocational instruction to the migratory population of British soldiers who stay in the country for an average period of $5\frac{1}{2}$ years is a matter which the Government of India and the Home Government must take into serious consideration. It is on that view that the majority have recommended a revision of the policy ; not because they do not attach any value to Education as such but because of the peculiar conditions of this country. It is an excellent thing to undertake such obligations when finance permits not only for soldiers but for all citizens. But the time is not yet. As regards regimental schools for children of British soldiers, it is not at all economical to run 72 schools with an average attendance of only 37·5 children and that with imported school mistresses. The average cost per child of direct charges alone comes to two hundred rupees.

SUMMARY OF RECOMMENDATIONS.

Army Education.

Recommendation.	Initial saving.	Recurring saving.	Saving in 1932-33.
	Rs.	Rs.	Rs.
* (1) Reduction of 12 Education officers in Commands and Districts	1,50,000	1,00,000
* (2) Where civil schools for European and Anglo-Indian children exist, close separate Army schools and pay allowances instead ; where schools must be retained engage only a local teaching staff. Saving difficult to estimate but assume	1,00,000	50,000
(3) Reduction of students at school of Education	75,000	75,000
(4) If Dehra Dun college is retained, it should be made self-supporting	50,000	25,000
(5) Reduction of I. M. S. appointment at Kitchener College	15,000	15,000
(6) The Lawrence Schools should not be charged upon the Army Estimates	5,90,000	5,90,000
(7) Discontinue scholarships for British soldiers' children..	13,000	13,000
(8) Reduction of language awards	60,000	60,000
(9) Discontinue sending officers to foreign countries for language study	68,000	35,000
Total	11,21,000	9,63,000

* Majority recommendation.

CHAPTER IV.—GENERAL REMARKS ON THE SYSTEM OF SUPPLY AND PRODUCTION.

In dealing with those ancillary services which are responsible for the production and supply of the material required by the Army, we are obliged to base our recommendations on existing facts without reference to the changes which are likely to take place in the near future in the constitution of the Government of India in the direction of Dominion Status. In respect of these services no real analogy exists between the principles which govern the Army Administration in India and those which obtain in the United Kingdom though the former administration follows or attempts to follow the British model. In India H. E. the Army Member is saddled with very heavy responsibilities in that he is the sole military adviser and is the administrative as well as the executive head of the Army ; in which respects he has manifold duties. There are, however, activities within the sphere of Army administration for which, in the opinion of all except one of us, responsibility should be transferred from military to civil hands. We refer specially to provision and production of all material essential for the Army in peace and in war. The Esher Committee of 1920 was unanimous that these activities should be entrusted to civil control in one form or another and the Resolution of the Assembly thereon, endorsed the need for a change in policy in that direction. Despite these recommendations, these departments still remain under military control, under the Quarter-Master General and the Master-General of Ordnance. Thus military influence is predominant not only in those matters which must necessarily be determined by military considerations, *i.e.*, the specification of requirements lethal and non-lethal and the manner and place of storage and issue of current requirements or reserves, but also in regard to the actual production and provision of such requirements which do not necessarily involve military control. As long ago as 1906 it was recognised by His Majesty's Government in the United Kingdom that duties connected with supply are essentially civil in character and are likely to be efficiently and economically performed by departments under civil control. This consideration also applied in the administration of the Army Factories the personnel of which, it was agreed, should be almost entirely civilian. The creation of an agency of this character outside the army has also the merit that it relieves military officers, who have been trained at great expense for their own peculiar duties, from the supervision and performance of other duties which are not military in character. In actual fact, however, we even find that the personnel in those ancillary services employed in the supply and transport and ordnance services receive higher rates of pay than the fighting services, and we, or the majority, will have occasion to recommend, at various points in our report, that certain duties could be more economically managed than at present, if they were demilitarised, civilianised and Indianised. A change of policy is, the majority of us think, imperative. In the United Kingdom there exists a Civil Secretary of State for War responsible to Parliament who presides over the Military Council and is therefore able to bring civil and political influence to bear on the Army Council in the exercise of its collective responsibilities. In India where conditions of industrial development differ widely from those in the United Kingdom, it is surely still more desirable that the supply of army requirements should rest with those who are more conversant with India's capabilities and

better able to guide her development on the lines of the accepted policy of Government which is that India's industries should be stimulated in every possible way. The requirements of the Army for non-lethal supplies must play a considerable part in that development and even in the case of lethal supplies of all kinds the demands of the Army are closely connected with the industrial progress of the country. As we maintain, the Army must play a larger part in India in this respect than in the United Kingdom, where its requirements represent only a fraction of the country's productive power and where industries are highly organised and efficient. Therefore, it is that those of us who have long experience of the country's needs, maintain that, while the high military command should remain responsible for determining the nature of the stores required to maintain the Army in a state of efficiency and for supervision of the response to their requirements, the actual business production of these stores should be vested in civil hands, a policy which with one exception we think must necessarily lead to more economical administration. With the present predominance of military control in these spheres there is a natural tendency to employ military personnel in what most of us believe to be an unnecessarily large proportion in these ancillary services to the exclusion of civilian and Indian talent which could be employed at less cost, and with equally good results. In fact Indians are not represented, at present, either adequately or even appreciably in the higher ranks of the Army.

In a later section of the report, proposals will be found for the creation of a Superior Indian Service for Supply Depots and Stores. Similarly, in the case of factories, there is considerable scope for the employment of young Indians of good education. Even where military rank is regarded as absolutely essential suitable facilities for instruction and training of Indians should be provided. Considerable expenditure is already incurred on educational and training establishments mainly for British personnel in the Army.

It may be difficult to obtain duly qualified and educated men from amongst the existing ranks of Indian soldiers and even amongst those holding the Viceroy's Commission but this should not prevent efforts being made to attract educated young Indians, graduates and under-graduates of Arts and Engineering Colleges, who would be suitable for many of the duties performed by the ancillary services. Schools of Instruction in the Indian Army Service and Ordnance Corps should be thrown open to such recruits for preliminary training after selection, which may be made with the assistance of the Public Services Commission and, if necessary, separate examinations may be held, after the course of training is over, to enable candidates to qualify for permanent retention. When the nature of the service is such that Indians thus appointed are required for field service, appropriate provision may be made in the terms of service, as in the case of the Medical Services. These are, however, all matters of detail which would follow on the acceptance of the principle of increasing Indianisation in such services. In the development of schemes based on this principle a spirit of confidence, trust and sympathy is required and a broad outlook from those in authority. With the development of such Indian services, based upon careful selection and training, a much less costly and equally efficient agency can, the majority of us feel, be built up in the course of another ten years to replace the present costly services in many of the ancillary departments.]

CHAPTER V.—INDIAN ARMY SERVICE CORPS.

Supplies.

The Corps carries out two distinct functions with separate establishments—"Supply" and "Transport". This section deals with the former.

Before the war the arrangements for the purchase and supply of articles for which the Supply and Transport Corps was responsible were largely controlled by Divisional Commanders. These articles were rations for British troops and for Indian troops in a few localities, fuel for British and Indian troops, oil for British troops, bedding and certain articles of clothing for troops and hospitals, line gear for transport animals and miscellaneous supplies (cooking utensils, lamps, basins, etc.) for troops and hospitals. Units of the Indian Army were responsible for feeding themselves and most Indian cavalry regiments also arranged for the feeding of their animals. At each principal cantonment was a supply depot in charge of an officer of the corps while at out-stations there were small depots in charge of a British or Indian subordinate. For the supply of local articles, station contracts were made by local commanders; otherwise contracts were made by Divisional Commanders either to meet the total requirements of one article in the whole division or in the case of perishable articles for separate stations in the division. The organisation was controlled by an Assistant Director of Supplies and Transport at the headquarters of the division and by a Director of Supplies and Transport at Army Headquarters with a Deputy and 2 Assistants.

In 1917 proposals were made for the change of this system for various reasons of which the principal were—

- (1) a great dislocation on transition from peace to war and absence of any scheme for expansion;
- (2) overloading of Divisional Commanders with details of supply;
and
- (3) purchase in water-tight compartments instead of on a wide basis.

It was therefore proposed to centralise control over contracts and purchases, to relieve military commanders from much of the business of purchase and supply and to provide an organisation which could pass easily from a peace to a war basis. Further, the scheme proposed a more effective supervision over supplies, especially Indian rations, in the course of purchase and distribution and also aimed at preventing an increase in supply personnel owing to the acceptance by the State of the liability to supply rations to Indian troops and forage to Indian cavalry horses.

At this time the Government of India, we are informed, sought an assurance that the scheme would not involve any increase in permanent establishment or any recurring additions to expenditure, which assurance was given by the military authorities and the scheme was sanctioned on this understanding. At this period also the duties of the staff were simplified and confined almost entirely to the provision of foodstuffs and fuel. They were called upon to undertake purchase, storage and issue of rations

to all troops both British and Indian, of grains to all animals and of fuel to British and Indian troops owing to abolition of the Silladar system. Since the war, responsibility for the storage and issue of large quantities of petrol, oil and lubricants has been assumed, owing to the mechanisation of the Army and the addition of the Royal Air Force. At present also a central agency exists for the purchase of supplies in bulk such as provisions, grain, ghi, sugar, tea. Articles such as fresh meat and vegetables are purchased under local contracts subject to the control of the Quarter-Master General.

2. The present organisation is on two distinct lines. On the far side of the Indus, there is an organisation resembling a war organisation in order that personnel may be trained in war duties and that there may be as little difficulty as possible in changing to the war system rapidly on mobilisation. Four Supply Depot Companies hold supply in bulk and issue in bulk. The supplies are issued to units through the agency of District Supply Companies which contain Issue, Bakery and Butchery sections which on mobilization will go to war with the units served in peace. On this side of the Indus financial considerations since the war have led to the amalgamation of the duties of the Supply Depot and the District Supply Company. There is a District Supply Company or Independent Brigade Supply Company in each military district or Independent Brigade, the functions of which are to maintain supply depots and to receive and check indents from units and carry out necessary supply.

3. The cost of the Supply Services is Rs. 50½ lakhs for the current year and the total establishment employed is as follows :—

	British Officers.	British other ranks.	Indian Officers.	Civilians.	Followers.	Total.
1914	.. 105	315	..	561	3,033	4,014
1922	.. 194	408	73	832	3,576	5,083
1931	.. 161	373	68	751	3,175	4,528

The number of men and animals fed by the Indian Army Service Corps has been variously stated to us but the following may be accepted as the approximate figures ;—

Men.

	British other ranks.	Indian other ranks and followers.	Total.
1914	.. 74,000	1,100	75,100
1922	.. 70,000	172,000	242,000
1931	.. 62,000	158,500	220,500

Animals.

1914	.. ..	83,000
1922	.. ..	84,500
1931	.. ..	66,000

From figures supplied to us, it appears that the total cost of rations supplied to the men of the Army is as follows :—

						Rs.
(a) British troops	..	..	..	..	..	70,90,800
(b) Indian troops	..	..	..	..	..	79,92,600
(c) Followers ..	..	..	..	..	..	1,60,800
						<hr/>
						1,52,44,200
						<hr/>

Of this amount about Rs. 80 lakhs is secured by central purchase, Rs. 63 lakhs by local purchase and about Rs. 9 lakhs by purchase abroad. In the case of animals, the cost of feeding is stated to be Rs. 36 lakhs (apart from fodder supplied by the Farms Department) of which Rs. 35 lakhs is obtained by central purchase.

For this total of Rs. 188 lakhs for food of men and animals the overhead charges may be taken as follows :—

						Rs.
Cost of running supply depots so far as it relates to food stuffs for men and animals (<i>pro rata</i>)	..	..	..	..	..	45,60,000
School of Cookery	..	..	..	..	..	37,000
Military Food Laboratory	..	..	..	..	..	48,000
Grain crushing depots and flour mills	..	..	..	..	..	1,93,000
Bakeries and Butcheries	..	..	..	..	..	2,43,000
Supply and Transport Directorate at A. H. Q. (say half for supply purposes)	..	..	..	..	..	1,50,000
Contracts Directorate (one half for food stuffs)	..	..	..	..	..	1,60,000
Estimated expenditure on account of rail freight	..	..	..	..	..	21,00,000
Share of record office, and training establishment	..	..	..	..	..	1,30,000
						<hr/>
						76,21,000
						<hr/>

To the above should be added the expenditure on account of Animal Transport, Mechanical Transport and Hired Transport incurred on the transport of food supplies in peace. We have seen no estimate of this cost but it must be a very considerable addition to the above figure.

The total cost to the State of supplying food to men and animals, apart from the cost of the food supplied, is, therefore, under the present system, remarkably high.

Assuming that such an elaborate system is necessary, a close scrutiny of the strength of establishment and of the nature of the personnel is required. Most of the superior establishment is of military status and there should be, in the opinion of the majority of us, considerable scope for economy in the directions which we have already indicated, *e.g.*, the employment of Indian personnel on much lower rates of pay.

4. The reasons given for the existence of a larger establishment now than before the war are based on the number of rations now supplied as compared with pre-war figures. Also a new service of supplying petrol and lubricants has been undertaken. On the other hand, it must not be forgotten that the Corps has been relieved of the responsibility for supply of clothing and miscellaneous supplies to troops and hospitals and also for the supply of certain transport animals and of the enumeration and registration of animals available for transport in the country, and for supervision of certain grass and dairy farms. Further, as we have stated, an assurance was given in 1917, after the liability for the supply of rations to Indian troops had been undertaken, that the scheme of reorganisation would not necessitate any addition to permanent establishment. The duties undertaken since that date are the supply of forage to Indian cavalry units and the supply of petrol, etc., but against this must be taken the fact that there has been a very considerable reduction both of units and of personnel in the fighting services since the undertaking was given. Though the establishments have decreased considerably since 1922, they are still much in excess of those in 1914 and for the reasons given above we consider that the whole question requires thorough examination.

5. In the trans-Indus area, the organisation is on a war basis and it is admitted by the military authorities that a high price is possibly being paid for preparedness for war and we are informed that an examination is in progress to see what reductions are possible. From figures given to us it appears that the organisation is approximately as follows for the two areas :—

—	Officers.	B. O. Rs.	Indian ranks.	Troops.	Animals.
Cis-Indus area	103	231	2,183	187,000	44,000
Trans-Indus area	65	103	1,485	80,000	21,400

It would appear from the above that the adoption of the Cis-Indus system in the Trans-Indus area would result in considerable savings in officers and other establishment. To take officers alone, if the Cis-Indus proportion of officers to troops and animals were applied across the Indus, the number of officers required would be 45 instead of 65 at present maintained. Further, these 65 officers are required for 30 Headquarters and detachments whereas on this side of the Indus 103 suffice for 88 headquarters and detachments. We consider therefore that, with the suggested revision of system, it should be possible to make substantial reductions in the personnel engaged on supply duties and we recommend that the system be immediately revised and a reduction of at least 25 officers and corresponding numbers of other ranks effected. The savings on officers alone would amount to about Rs. 4 lakhs. We are informed that proposals for the reduction of I. A. S. C. officers at Army Headquarters, Commands, etc., are under consideration and that the savings involved would be about Rs. 1,40,000 but we have proposed much larger reductions.

6. As regards the establishment of 373 B. O. Rs. we are informed that 56 Indian officers have already been employed in the place of B. O. Rs. and that it is proposed to increase these to 70. Another scheme will employ about 40 more Indians. Direct Commissions are already open to

graduates as Indian Supply Officers and they can also be appointed as store-keepers. We are in entire accord with the policy of increasing employment of Indians in the Supply Services and the majority of us would recommend that the entire replacement of British other ranks be effected as soon as possible. The view of the majority upon the necessity for the employment of Indian personnel in a service of this kind has already been expressed and we further consider that a scheme should be evolved whereby the present officers of the service would be gradually replaced by an Indian Military Supply Service on rates of pay which, though considerably lower than the present scale, would be sufficient to attract suitable recruits who would be required to give substantial security. The personnel of such a service would of course be liable for duty in the field and be under military discipline just as Assistant Surgeons are now. For the present, therefore, we do not propose any further reductions in the number of superior officers while the proposed new service is being formed and developed, but a definite programme should be evolved which would secure the replacement of the present agency in the course of the next ten years.

7. We have examined at considerable length the system of central purchase and contracts. A great deal of information has been placed at our disposal and we have examined the Director of Contracts. We have also examined the Chief Controller of the Indian Stores Department on the relations between his Department and the Directorate of Contracts. For the present we prefer to reserve our opinion whether the central purchase system is really economical in practice and whether the present methods of purchasing grain, ghi, etc., are conducive to efficiency and economy and also whether the Indian Stores Department should be more extensively employed and the army agency reduced in size and scope of responsibility. It is not possible to come to a decision on such important questions in the time at our disposal. We have, however, after full discussion with the Quarter-Master General come to certain conclusions on points of detail in the present practice, which should be adopted as long as the present system continues :—

- (a) all contracts of Rs. 10,000 and above should be by open tender,
- (b) in all contracts provision should be clearly made that any person can quote for the whole or a portion of the quantity invited and there should be option for delivery at particular places with limitations as to minimum quantity,
- (c) all calls for tenders over Rs. 10,000 should be published in suitable vernacular as well as English papers,
- (d) lists of approved contractors should be published,
- (e) lists of accepted tenders in case of local purchase should also be published.

We are further convinced that a Board should be established to settle the terms of tender, the methods of publication and finally the acceptance of tenders in all important contracts over Rs. 20,000 in value. This Board should consist of a military member, a financial officer and a non-official, preferably a member of the legislature, to be selected by H. E. the Army Member. One of our number considers that the non-official member of the central Board should be a member of the Public Services Commission while another holds that, while all tenders should be opened and scheduled in the presence of two officials (one representative of the buying department and one representative of the finance department) the responsibility for settling the various terms of the contract and deciding on the

acceptance of the tenders must rest primarily on the buying authority (i.e., the local military authorities in local contracts, the Director of Contracts at Headquarters) and ultimately on the Commander-in-Chief. In the view of this member the responsibility should not be shared with a Board and in any case an unofficial member could not properly be associated in that responsibility. In the opinion of the majority a similar organisation should be instituted in commands and districts for local contracts over Rs. 10,000 and the selection of the members of such a Board (including one non-official) should be made by the commanding officer of the command or district area. In the view of one of our number, in the case of these local Boards too, the third member should not be a non-official but a member of the future Public Services Commission, if available, or some other independent official.

8. The Contracts Directorate consists, we are informed, of the following superior staff :—

					Pay. Rs.
For Purchases	..	..	One Director	..	2,500
			One Assistant Director	..	2,045
For Disposal Organisation	..	..	One Assistant Director	..	2,045
			One Deputy Assistant Director	..	1,530

All but one of us consider that these rates of pay are too high for an organisation of this character and that more suitable rates would be from Rs. 1,500 to Rs. 1,800 for the Director and from Rs. 750 to Rs. 1,200 for Assistants and Deputies.

9. We propose that enquiry should be made into the reduction of grain stocks, the substitution of coal for wood where economical, the use of soft coke and the obtaining of supplies of coal for northern and western India from the Central Provinces. As regards grain stocks, we understand that reductions giving an initial saving of Rs. 83,000 have been carried into effect and, as regards extended use of coal, proposals are under consideration which will give a recurring saving of Rs. 40,000. These questions should be further pursued. In particular, the mobilization reserves should be carefully examined and curtailed.

10. As regards the rations of British and Indian troops, we have given the question very careful consideration. The scale of the ration is based upon medical advice and it is contended that a recent exhaustive examination has shewn that the ration is in no way in excess of requirements. To this expert evidence we must yield but we would point out that the normal system of bulk supply to units does not take into account the probability that 800 men do not consume 800 standard rations every day. A system of a sliding scale was recently introduced whereby units were permitted to underdraw on certain items of the ration and to share with Government the saving thereby effected. We are informed that last year the system resulted in a saving to Government of Rs. 80,000 and to units of Rs. 2,34,000 which was mainly spent in adding variety to the soldiers' food. It would therefore appear that the bulk issue of the ration is not illiberal. We consider that, in the case of both European and Indian troops, the sliding scale system should be definitely encouraged and popularised to the advantage both of the State and the soldier. If, however, it should prove after further experience that this method is not a definite success, we would advocate the re-examination of the possibility of reductions in the bulk issue according to the number of men supplied, e.g., 780 standard rations for 800 men.

11. In another direction we are, however, able to make a recommendation for a definite saving. The British soldier's ration is supplemented by a cash allowance of $3\frac{1}{2}$ annas a day which is used regimentally to supply him with additional food of a more varied character than the standard ration. This allowance is based on the allowance given at home, e.g., at one time it amounted to $6\frac{1}{2}$ pence at home and in India $6\frac{1}{2}$ annas. When the home rate fell to $3\frac{1}{2}$ pence, the Indian rate dropped to $3\frac{1}{2}$ annas. As the home rate is now 3 pence, we recommend that the rate in India be reduced to 3 annas in accordance with the usual practice and we also take into consideration the fact that a fall in prices has taken place in India also. This will give an annual saving of about Rs. 6 lakhs.

12. We further understand that mutton is supplied to British troops one day in the week instead of beef. We understand that this involves an extra cost of about Rs. 4 lakhs a year which would be saved if beef were supplied on the seventh day also. We understand that there is no medical objection to the proposal and that mutton is not universally popular with the troops. We recommend the adoption of the proposal to issue beef on 7 days a week except in special cases, such as the frontier, where the quality of beef is markedly inferior to mutton.

13. Large quantities of provisions and other supplies are issued on payment for the use of troops and their families. There is considerable business done in this respect as the receipts amount to Rs. 14 lakhs a year. This system of issue on payment was agreed to on the understanding that no extra expense to the State was involved therein. Prices are fixed at cost price *plus* duty (if leviable) *plus* 20 per cent. overhead charges *plus* Re. 1-8-0 per 100 lbs. for carriage. With the fall in prices and fall in the demand for payment issues, it requires investigation whether the present 20 per cent. for overhead charges is sufficient to guard the State against loss in this business. We recommend that a full enquiry should be made.

14. In Waziristan certain concessions are given in view of the hardships encountered in that area. These have been reviewed from time to time and the main concessions which have been in force since April 1929 are as follows :—

- (a) B. O. Rs. on consolidated rates of pay draw free rations or 12 annas a day.
- (b) Civilians paid from military funds get free rations.
- (c) Certain public followers and private followers get free rations or allowance in lieu.
- (d) Daily Messing allowance of B. O. Rs. raised to 6 annas in winter and 5 annas in summer.
- (e) Monthly Messing allowance of Indian troops Rs. 4 during winter and Re. 1-8-0 during summer instead of 10 annas.

We consider that, as over 2 years have elapsed since the last revision during which time conditions must have further improved and prices have fallen to a considerable extent, these concessions should be reviewed in the interests of economy. We suggest tentatively with reference to the list above :

- (a) a reduction of 2 annas a day ;
- (d) reduction to 5 and 4 annas respectively ;
- (e) reduction to Rs. 3 and Re. 1-4-0 respectively.

In any case we recommend that reductions be made which will secure an annual saving of one lakh in the extra cost of these concessions which we understand amounts to Rs. 5 lakhs.

15. As regards the scales of rations for animals, we are informed that these are considered by expert authorities to be only just adequate. In any case the same criticism applies here as in the case of men's rations, *e.g.*, 500 mules will not need 500 standard rations. Some savings should, we consider, be possible and we recommend that the experiment of reducing the amount and value of the ration by 5 per cent. be tried with all animals in two selected stations under careful supervision. Similarly, two units in other stations might be selected for the experiment of issuing the reduced ration to animals in one section of the unit and full ration to the others. It can thus be judged whether a saving on the ration would have a definite deleterious effect which would make it undesirable.



सत्यमेव जयते

Summary of recommendations under Supplies

Recommendation.	Initial saving.	Recurring saving.	Saving in 1932-33.
	Rs.	Rs.	Rs.
(1) Reduction of 25 I. A. S. C. officers .. ..	..	3,00,000	} 1,50,000
* (2) Substitution of Indian officers, etc., for British other ranks (say) .. ..	..	1,00,000	
(3) Substitution of coal for wood and reduction of stocks of grain	83,000	40,000	40,000
(4) Reduction of daily messing allowance of British soldiers by half an anna .. ..	..	6,00,000	6,00,000
(5) Substitution of beef for mutton .. ..	..	3,00,000	3,00,000
(6) Reduction in Waziristan concessions .. ..	..	1,00,000	1,00,000
(7) Reduction in rations for animals (no estimate available)
Total ..	83,000	14,40,000	11,90,000

* Majority recommendation.

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**CHAPTER VI.—ANIMAL AND MECHANICAL TRANSPORT, HIRED TRANSPORT
AND OTHER ROAD AND RAIL CHARGES.**

1. The provision of transport for the Army, other than the regimental transport within units, is the responsibility of the Army Service Corps. As information furnished to us in the subjoined table shows, the volume and cost of the transport provided by the Army Service Corps have increased very heavily since 1914.

	British Officers.	British Other Ranks.	Indian Officers.	Civi- lians.	Indian Other Ranks and followers.	Animals or M. T. vehicles.
1914.						
Animal Transport ..	82	213	66	90	24,257	48,560
Mechanical Transport	None.					
1922.						
Animal Transport ..	78	80	193	130	19,137	28,663
Mechanical Transport (excludes G. S. Units).	182	852	29	622	5,509	2,158
Total ..	260	932	224	752	24,766	..
1931						
Animal Transport ..	72	48	147	116	14,000*	18,000
Mechanical Transport (excludes G. S. Units).	194	442	77	469	9,993*	2,025
Total ..	266	490	224	585	23,993	18,000 animals. 2,025 vehicles.

* Includes 1,804 A. T. Reservists and 3,588 M. T. reservists.

NOTE.—These figures exclude animals and mechanical transport on the establishment of other arms of the Service.

Approximate total expenditure on animal and mechanical transport in 1914 and 1931 (including cost of fodder, petrol and annual replacements) respectively.

	1914.	1931.
	Rs.	Rs.
	lakhs.	lakhs.
Animal Transport ..	135	100
Mechanical Transport ..	..	197
Total ..	135	297

2. We have been informed that the following are the main general reasons for the increases since 1914. At that time "the transport of the Army in India consisted entirely of animal transport partly wheeled and partly pack. Peace establishments were kept down to the minimum and for war the Army depended on improvisation. Since the war the assumption by Government of full responsibility for feeding the Indian Army would in any case have involved a substantial expansion of the transport required in peace. But the pre-war organization, dependent as it was on improvisation, was manifestly unsatisfactory for war and could not stand any prolonged strain. When the fighting strength was reduced after the War it was recognized that the reduced force must be fully mobile and provided with better equipment. This meant a transport organisation which could not only come more speedily into action on the outbreak of war but would also be capable of carrying a greater load. The establishment of the modern transport service has therefore been fixed with regard both to present requirements in peace and the minimum organization necessary to ensure rapid expansion in an emergency". The main feature which distinguishes the present from the pre-war organization is the inclusion of a self-contained mechanical transport service with a Training Depot, Stores Depot, Inspectorate, Works, etc.

3. The transport provided by the Army Service Corps fulfils, from the military point of view, three main functions—

- (a) *First line transport* is the transport required to carry the essentials which must accompany a unit, e.g., ammunition, signalling equipment, entrenching tools, medical panniers, water and cooking pots. It is all animal transport—pack mules, animal transport carts and camels.
- (b) *Second line transport* carries the troops' baggage, one day's supplies, ammunition, etc., and works between the troops and the point at which it can be re-filled with such supplies. This transport is broadly speaking mechanical transport.
- (c) *Third line transport* conveys stores up from railhead to the refilling point at which it meets the second line transport. The policy is that this should be mechanical transport.

The transport at present maintained in peace to meet these requirements is sufficient, we have been informed, so far as animal transport is concerned, to provide broadly speaking, 1st line transport for the covering troops and field army. So far as mechanical transport is concerned, the establishment now aimed at in peace will only provide about 50% of the requirements in second and third line transport of the field army: the balance will have to be supplied from local sources on the outbreak of war. Even so the formations maintained in peace have in view mobilization requirements rather than merely peace needs. We have been informed that until this year the programme aimed at a larger percentage of mechanical transport to be held ready in peace: but the programme has been reduced, and some Rs. 45 lakhs that would otherwise have been spent will be saved. To complete the revised peace establishment however some 132 4-wheel lorries are still required.

4. With a view to determining on broad lines whether the provision now being made for transport services is on too liberal a scale, we endeavoured to form some idea of the comparative effectiveness as transporting agencies of the present animal and mechanical transport establishments and the pre-war animal transport establishment. We were accordingly furnished at our request with figures showing for 1914 and 1931 the carrying capacity in ton miles of the transport organizations existing in the two years, but closer examination has shown that it is extremely difficult, if not unsafe, to draw conclusions from statistics of this kind. Following, however, on this line of examination, we understand that the military authorities are reviewing the whole transport position to see whether any reductions can be effected. We therefore reserve our recommendations in general till we have learnt the result of this review and have had an opportunity of examining the matter further. But we would record that we understand that mechanization is not being carried further pending the review, that in our view it is a matter for careful examination whether the standard of mechanization already reached is not sufficient for all practical army purposes connected with the defence of India and that, as at present advised, we think that further mechanization should be suspended. In this connection we might mention that a recent report by the military correspondent of the *Times* suggests that in England the question is being examined whether mechanization may not be carried too far and the mobility of larger formations be impeded by the quantity of mechanical transport allotted to their component units. While, as stated above, we reserve our recommendations in general we add in the following paragraphs certain remarks and recommendations on particular features of the transport organization which have been brought to our notice in the course of our enquiry.

5. *Animal transport.*—

A. *Number of officers.*—It will be seen from the table in paragraph 1 that compared with 1914 while the number of animals has decreased from 48,560 to 18,000, over 60%, the number of officers has fallen from 82 to 72, or by 12%. We have been informed that in 1914 only one officer was allowed for a unit of 855 animals and nearly 500 men: that in 1924 a second officer was allotted to large units and that in 1930 the size of units was practically halved, one British officer being allowed for each unit, and the smallest unit consisting of 200 animals and 150 men.

We appreciate the administrative convenience of smaller units, but under present financial circumstances we think every endeavour should be made to reduce the number of officers, and while we do not recommend a reduction so great as to make the proportion of officers to animals the same as it was in 1914 we think the present establishment should be reduced from 72 to 48 [apart from any reductions which may result from the recommendations at (B) below]. We suggest that this should be achieved either by amalgamation of some of the units, or by giving command in certain cases to a suitably qualified Viceroy's Commissioned Indian Officer: this might be done, for example, where more than one unit is stationed, one of the units remaining under the

command of a British officer who would retain a general supervision over the remainder, or at other stations by giving independent charge to the Indian officer and supervising his work by inspection. In this case it might be necessary to add some additional Viceroy's Commissioned officers. We estimate that the reduction of 24 officers would normally save Rs. 3,30,000 a year reduced by Rs. 90,000 if, say, 12 additional Viceroy's Commissioned officers were required. We also recommend that B. O. Rs. in A. T. units should be replaced by educated Indians, unless in any exceptional cases the appointment of a B. O. R. should be considered essential.

B. As stated in paragraph 3 animal transport is maintained in peace sufficient to mobilize the field army : mechanical transport is not maintained on this scale. We recommend that the animal transport for a portion of the field army should be disbanded, except in so far as it is fully utilized for peace requirements and effects a commensurate saving on hired transport.

C. *Camels*.—There are at present, we understand, 4,500 camels used for transport work organized into 7 companies. We are informed that the question of replacing two of the camel companies (lower establishment) on mobilization by hired mechanical transport and a camel company to be maintained in the Punjab is under examination and that this would result in the saving of about Rs. one lakh a year. We recommend that this saving should be effected, and we do so all the more readily in view of the opinion of one of our members, who has considerable experience of the question, that the camel has definite disadvantages as a means of military transport, and that, if it must be employed in war, it can be obtained in substantial numbers on mobilization.

6. *Mechanical Transport*.—We have not had time to examine the details of establishment of the mechanical transport units for which, according to page 112 of the Army Budget, 101 British officers, 246 British other ranks, 61 Indian officers, 3,883 Indian other ranks, clerks and artificers and 3,588 reservists are maintained. We hope to have an opportunity of doing so later. Nor, though we have been furnished with a good deal of information on the subject, have we been able to consider fully the question of the total number of vehicles maintained or the quantity of mechanical stores and spare parts held in stock. But we understand that, so far as I. A. S. C. vehicles are concerned, it is proposed to purchase during the current year 264 4-wheel lorries (equivalent to 8 mechanical transport sections), of which 132 are to replace 6-wheel lorries which are being utilized to mechanize the transport of a cavalry brigade, and 132 to replace vehicles which may no longer be fit for service. In present financial conditions we consider that this purchase should be deferred and that replacements should so far as possible be avoided. In making this recommendation we have in mind that a reserve of vehicles is being formed by the withdrawal of certain vehicles from each section, and this reserve might be drawn upon in those cases in which replacements are absolutely necessary. As regards mechanical transport stores and spare parts, we have been informed that it is proposed to

cut down stocks and that an initial saving of Rs. 15 lakhs will result. We recommend that this saving should be effected. We further recommend that for this and next year purchases of mechanical transport stores and spare parts should only be made in cases in which it is absolutely essential. We hope to be able to report on this question of stocks at a later date.

But though we have been obliged to postpone a considered report on this matter, we should like to make certain general recommendations on the policy of provision of mechanical transport. In the first place we consider that the policy which we understand that the military authorities are following of restricting the types of vehicles in the service should be pursued: it may perhaps be possible, *e.g.*, ultimately to have one standard type of lorry common both to the Army and the Royal Air Force. Standardization of type must make for economy. As a measure tending towards the possibility of retaining one type of vehicle in the service we recommend that manufacturers of vehicles purchased for Army use should be required to guarantee the provision of spare parts over a term of years. This will prevent types of vehicles having to be changed for lack of spare parts. Finally, we recommend that everything possible should be done to encourage the production of mechanical transport in this country, so that, in lieu of maintaining large reserves, it may be possible to rely on supplies from civil sources in emergency. We understand that it was partly in pursuance of this aim that the military authorities have decided to substitute to a large extent four-wheel lorries which are in use in civil life for six-wheel lorries for which there is little civil demand.

MECHANICAL TRANSPORT ESTABLISHMENTS.

The maintenance of mechanical transport units involves the upkeep of various mechanical transport establishments for repairs, storage, inspection and so on. Those establishments are given on pages 114 to 123 of the Army Budget, and the cost of their staff, and the number of personnel employed there, may be summarised from the budget figures as follows:—

Personnel.

	British officers.	British soldiers.	Indian officers, artificers, clerks, etc.	Cost. Rs.
Mechanical Transport Depot	10	14	149	5,13,480
Central Mechanical Transport Stores Depot	4	32	169	4,66,330
Technical Inspectors of Mechanical Transport	11	..	32	1,98,100
Mechanical Transport Workshops	21	121	1,462	23,01,683
Mechanical Transport Vehicle Reception Depot	2	4	64	1,04,170
Total	48	171	1,876	*35,83,763

* *Note.*—This figure does not include cost of stores, accommodation, transportation, etc.

We have been informed that these establishments cater not only for the 2,025 mechanical transport vehicles (including 91 motor cycles) on charge of the Indian Army Service Corps, but for the 2,085 vehicles (including 478 motor cycles) on charge of other units (*e.g.*, the lorries with mechanized artillery, motor ambulances, etc.). Even so, the staff and expenditure seem high, and we are of opinion that, in general, by the employment, in place of some of the British officers and soldiers, of a less costly personnel either directly engaged or trained as apprentices, considerable savings could be made.

The following table shows the annual pay, maximum, minimum and average, drawn by British Officers and British Other Ranks at these Establishments :—

—————				Maximum.	Minimum.	Average.
				Rs.	Rs.	Rs.
<i>Officers.</i>						
Married .. .. .	..	..	..	25,560	7,980	15,890
Unmarried .. .. .	..	..	..	23,760	6,960	8,670
<i>Quartermasters.</i>						
Married . . . . .	..	..	..	13,200	8,580	9,610
Unmarried .. .. .	..	..	..	11,640	7,620	8,400
British Other Ranks	..	..	..	5,040	2,520	3,750

Dealing with the establishments in particular, the following observations arise :—

Mechanical Transport Depot, Chaklala.—This depot trains recruits in mechanical transport duties, and also holds classes for British and Indian officers. We have been informed that hitherto some 1,000 recruits have passed through the school annually, in two batches of 500, but that it is proposed to reduce the annual outturn to about 600 a year with consequent savings in the cost of the establishment.

Central Mechanical Transport Stores Depot, Chaklala.—This depot deals with the receipt, storage and issue of spare parts, tyres, and accessories required for all mechanical transport vehicles. It is stated that the turn-over of stores by the depot last year was Rs. 38 lakhs : the cost of the establishment is as shown in the preceding table Rs. 4·66 lakhs, of which over 1 lakh represents cost of administration, and the balance that of store-keeping. The ratio of cost of the establishment to turn-over, which comes to Re. 1 to Rs. 7 or Rs. 8 we consider excessive. We understand that the Quarter-Master General is personally examining the possibility of reduction of cost at the depot.

Technical Inspectors of Mechanical Transport.—The duty of this staff is the inspection of vehicles, etc., on charge of units with a view to ensuring that the stocks held are within the authorised scales, and that repairs are carried out and that stores are used economically. The number has increased from 3 in 1926 to 11 to-day.

Mechanical Transport Workshops.—Minor repairs are carried out by mobile repair units : heavy repairs and periodical overhauls are carried out in the Mechanical Transport Workshops at Bannu, Bombay, Chaklala, Peshawar, and Quetta. The peace capacity of Chaklala is about 50 overhauls a month, that of Quetta and Peshawar about 12 and that of Bombay 7. The shop at Bannu has only recently been formed from a workshop section stationed there.

During the last 12 months, we are informed, 458 vehicles were completely overhauled, and 266 vehicles put through heavy garage repairs (*i.e.*, over one-fifth of the total strength of mechanical transport vehicles including motor cycles passed through the heavy repair shops) at an estimated average cost of Rs. 3,900 : and for this work, as shown in the preceding table, a staff of 21 officers, 121 British other ranks, and 1,462 Indian Officers and other ranks, artificers and clerks (of whom no fewer than 1,030 are artificers) was provided. The staff and cost seem to us unduly heavy, even though, as is claimed, the cost is artificially inflated by the rate at which labour is charged out to the work.

We understand that economy is in future anticipated by an alteration recently introduced in the previous rule that a vehicle after it had done 10,000 miles had to go into the shops for complete overhaul. It was found that after 10,000 miles although the engine required overhaul, the rest of the vehicle did not and in future a vehicle will be classified according to its actual condition as requiring complete or partial overhaul. We further understand that the establishment and rates of pay of artificers at these shops are under revision, and that the Quarter-Master General is personally exploring the possibility of reducing the costs at the shops.

Mechanical Transport Vehicle Reception Depot, Chaklala.—This depot deals with the receipt and issue to units of vehicles imported from the United Kingdom or received for heavy repairs from other units in India. It seems to us that, with less purchases in the United Kingdom, the work at this depot should decrease.

For the general reasons stated at the beginning of this section, and the more specific reasons given under the individual establishments, we think that substantial reduction should be made in this expenditure. The majority recommend that the total cost of over Rs. 35 lakhs should be reduced by 7 lakhs ; that as part of this reduction, the number of British Officers employed at these establishments should be reduced by at least 1/3rd and that of British other ranks by one half, and the number of artificers employed at the workshops should be decreased by 10%. We further recommend that the heavy repair shops should be used so far as possible for the repair and overhaul of mechanical transport vehicles belonging to the R. A. F.

Military Launches.—Under Sub-head B of Head II Rs. 2,00,000 are provided for military launches. In reply to a query whether it is essential to retain these launches we have been informed that those at Rangoon are being disposed of forthwith, those at Calcutta will be disposed of in January 1932 and those at Bombay will be reduced by 50% this year. The savings involved cannot at present be given. We recommend that all these launches

should be disposed of as soon as possible except such at Bombay as are definitely required and cannot be economically replaced by hired craft.

Hired Transport.—Although army transport, animal and mechanical, is maintained on the scale shown in paragraph 1 it is still necessary to hire transport to supplement it for peace duties.

For example, in many stations, we are informed, a piped water supply does not exist and bullocks and well gear have to be hired for raising water.

The provision for hired transport in 1931-32 stands at Rs. 15 lakhs : in 1930-31 it was Rs. 17,16,000 and in 1929-30 Rs. 18,97,000. The reduction in the cost of this service in recent years is largely due, we understand, to a reversal of the policy that mechanical transport vehicles in peace should, except in Waziristan, be authorised to run only 1,000 miles a year. This limit has now been removed with a view to securing fuller use of army transport for essential transport work and so reducing hiring charges. We reserve our opinion on the question of policy involved in this change pending further examination but in the meantime we recommend that every endeavour should be made to minimize hiring charges, especially by the use of animal transport in lieu of mechanical transport where economical, and that for the present Commands should be asked to report quarterly what reduction in such charges they have been able to make compared with the same period in the previous year.

Transportation of troops and stores by Rail and Sea.—This sub-head in the Army Budget covers the cost of rail and sea charges for the conveyance of personnel and stores, of travelling and outstation allowances to personnel when moving, of the Embarkation staff and the railway transport staff. The provision in 1931 for expenditure in India is Rs. 1,96,00,000 compared with approximately a crore in 1914. We have been informed that the main causes of the increase are :—

- (1) Rise in railway fares and freights.
- (2) Large increase in movement of stores owing to the assumption by Government of responsibility for feeding, clothing and equipping the Indian army and the consequent centralization of purchase and distribution.
- (3) More travelling by individuals on inspection and other duties consequent on insistence on a higher standard of training and to attend courses of instruction.
- (4) More frequent move of troops.

Expenditure on travelling and transportation is particularly difficult to control : policies and activities may be undertaken without full consideration of the expense, direct or indirect, which they may cause in transportation costs : and a large number of individual journeys, *e.g.*, on inspections, may be authorised, each possibly desirable in itself and costing comparatively little, which in the aggregate involve very heavy expenditure. We recommend that the necessity for confining expenditure under this head to what is absolutely essential should be brought specially to the notice of all concerned ; that the cost involved in movement of supplies and stores should be carefully watched : and that in the case of inspections, etc., every endeavour should be made to

utilize the service of one officer to carry out the requirements of several departments. We understand that the Quarter-Master General has already taken steps on these lines. Apart from this general observation, we make the following recommendations on certain of the particular items of expenditure under this head.

(a) *Annual relief movements of troops.*—Before the war units were more or less localized and tended to remain for long periods in the same station. Now-a-days units move in regular rotation which gives each its proportionate share of good and bad stations including a period of service on the North-West Frontier. The programme of reliefs is limited to a cost of Rs. 15 lakhs and the sum included in the 1931-32 budget is Rs. 14½ lakhs. We have carefully considered whether we ought not to recommend that in the present financial stringency the system of annual reliefs should be suspended. But it has been pointed out to us that service on the frontier involves specially trying conditions and in fact we are informed that of 26 stations classified as “bad” for Indian infantry no fewer than 22 are on the frontier. We therefore restrict ourselves to recommending that for the next two or three years the system of reliefs should be confined to a comparatively narrow circle near the frontier, the object of the moves being to give relief to those on the frontier. We hope that by this limitation it may be possible to reduce the cost from Rs. 14½ lakhs to not more than 5 lakhs.

We also recommend that the list of ‘good’ and ‘bad’ stations should be reviewed to see whether changed conditions, and the provision of amenities for troops, and measures for the improvement of health, such as those for anti-malarial purposes, may not have altered the classification of stations hitherto regarded as “bad”.

(b) *Furlough passages for Indian Army.*—Prior to 1926 free passages home were granted yearly to not more than 30 per cent. of Indian Officers and other ranks, or 34·8 per cent. in certain frontier stations. In addition troops stationed more than 800 miles from their recruiting centres were allowed free passage up to 20 per cent. yearly of the classes affected. In 1926 100 per cent. were allowed 2½ months furlough with free passage and in 1928 the present rules were introduced restricting the concessions to 50 per cent. annually for those who have two years service. The cost for 1931-32 is estimated on page 264 of the Budget at Rs. 9,50,000 lakhs. We recommend that free furlough passages for Indian soldiers should not exceed two in the normal colour service of 7 years and we estimate that the annual saving would approximate to Rs. 3 lakhs.

(c) *Furlough Passages to the U. K. for British soldiers.*—(1) Prior to 1928-29 non-departmental warrant officers and all N. C. Os. of the Indian unattached list were granted free furlough to the United Kingdom within an annual limit of 100. In 1928-29 this limit was removed and there is now no numerical limit to the numbers who may be granted free furlough annually provided they fulfil certain conditions laid down in regulations (*e.g.*, have completed six years continuous service in India and have re-engaged and have two years’ unexpired service on return from leave). We recommend that the annual limit of 100 should be reimposed.

(2) British regimental warrant officers and N. C. Os. and, within the limit of 490 annually, lance corporals and privates are now eligible for the grant of free furlough to the United Kingdom provided that they fulfil certain general conditions (*e.g.*, have completed six years continuous service abroad and have two years' unexpired service on return from leave). We recommend that in addition to the conditions already laid down, it shall be a condition of eligibility for the concession that the soldier has served at least four years in India continuously.

(d) *Removal of soldiers and their families to the hills.*—We deal with this service under "Miscellaneous Service, etc.". If our recommendations are accepted a considerable portion of the total saving of over Rs. 5 lakhs will be in respect of transport (the present cost of which in this connection is given as Rs. 4,81,000).

(e) *Embarkation Staff.*—The embarkation staff stationed at Bombay and Karachi deals with the reception and despatch of British and Indian troops and the shipping and receipt of stores. The staff consists of 9 officers (including 1 officer of the I. M. S.) of whom 3 are stationed at Karachi and 6 at Bombay, and 131 others including Assistant Surgeons, clerks and menials. The cost is shown on page 262 of the Army Budget as Rs. 4,07,000. The cost and establishment seem high. We have been informed that the Quarter-Master General, with whom we discussed the subject, is proposing to effect economies of some 30,000 rupees a year. We do not know precisely how these economies will be effected and, while we gladly recognize the steps which are being taken, we are of opinion that the staff is excessive and recommend that the staff be reduced from 3 to 2 at Karachi and 6 to 4 at Bombay, officers being attached temporarily during the busiest season. In particular we are not clear as to the necessity for an I. M. S. officer permanently attached to the staff.

(f) *Travelling warrants.*—Under existing rules officers only proceed on warrants on certain limited occasions. Generally they receive travelling allowances from which they pay the cost of their tickets and the incidental expense of the journey. Thus an officer travelling on a permanent move receives in effect the value of three first class tickets *plus* free conveyance of baggage by goods train. If he is married he receives in addition the value of a first class ticket for each member of his family. Thus after paying for first class tickets he has over the value of two first class tickets for incidental expenses and the cost of his servants' tickets. On a temporary move he receives in effect three-fifths of the first class ticket for incidental expenses in addition to the value of a first class ticket. In principle the present rules provide for the payment to the officer of a cash sum with which he has to get himself, his family and his servants to their destination: how he does so, whether, *e.g.*, by car or rail is not regarded as the concern of the Government. The basic principle of the warrant system is that the officer receives conveyance in kind for himself, his family and servants, if they are entitled to travel at the public expense. For this purpose a warrant is issued, the only cash paid to the officer being an appropriate allowance to cover incidental expenses. We consider that the latter system is preferable. It ensures that the officer travels by rail, and so secures a return to Government through railway revenues, and it is in our opinion less open to the possibility of a profit being made out of travelling. We therefore recommend its accept-

ance. But the system may lead to increased expenditure on audit of the warrants both by the railways and when they are presented for payment, by the Army Audit authorities. We recommend therefore that such audit should be reduced to a minimum and that its cost should not be disproportionate.

(g) *Saloon cars and special rail accommodation for senior officers.*—There are, we understand, four saloon cars maintained for use of Principal Staff Officers at Army Headquarters and one for the General Officer C.-in-C. of each Command. For these saloon cars a hire charge is paid to the railway companies of $9\frac{1}{2}\%$ on capital cost *plus* haulage charges. The hire charge for the eight saloon cars amounts to approximately 19,000 rupees a year: the haulage charge for the Headquarters saloon cars is approximately 82,000 rupees (figures for the haulage charges for the Command saloon cars are not, we were informed, readily available). Hitherto, saloon cars have been used by other officers when not required by the Principal Staff Officers. This practice has now, we are informed, been discontinued, at a saving of 1,000 rupees a year. We are not however satisfied that the retention of saloon cars is justifiable, and we recommend that, in lieu of these cars, Principal Staff Officers and the G. O. C.-in-C. of a Command should be given the use of a 1st class carriage (8 berths).

We understand that certain senior officers belonging to Army Headquarters who have hitherto been allowed a four-berth compartment when touring will in future be restricted to a coupe, or half of a four-berth compartment, with a resultant saving of 15,000 rupees a year. We agree with the proposed action and consider that our recommendations in these respects be brought to the notice of the General Purposes and Railway Sub-Committees for co-ordination of action in regard to other services.

General reduction in provision for travelling and outstation allowances and rail charges.—Apart from the reductions on furlough passages and annual relief movements mentioned above, we recommend a 10% cut in the provision under the other items in minor heads (d) and (e) of Head VII sub-head A of the Army Budget making a saving of some 1,18,000 rupees.

Grade of accommodation granted to officers and others travelling on duty by private steamers.—We were furnished at our request with a statement showing the grade of accommodation allotted to officers and others travelling on duty by private steamers. In some cases this appears to us unduly high. For example officers from the rank of Colonel to those of the rank of Major travel 1st saloon A by P. & O. steamers. At our suggestion the military authorities have reviewed the present scales and are prepared to recommend modifications which will result in a saving of 61,000 rupees annually. But the present scales have been laid down at an interdepartmental meeting between the India Office and between various departments of the Home Government, and those departments must be consulted before changes are made. We recommend that steps be taken to give effect to the military authorities' proposals as early as possible.

SUMMARY OF RECOMMENDATIONS.

Animal and Mechanical Transport : Hired Transport and other Transportation Charges.

Recommendations.	Initial saving.	Recurring saving.	Saving in 1932-33.
(1) Reduction of 24 officers in the I. A. S. C. animal Transport Units	2,50,000	1,25,000
(2) Replacement of 48 B. O. Rs. by educated Indians, unless in any exceptional circumstances the appointment of a B. O. R. is considered essential	1,00,000	..
(3) Disbandment of animal transport of part of field Army except in so far as it is fully utilised for peace requirements and effects a commensurate saving on hired transport.	No estimate possible at moment.	..
(4) Replacement of two camel companies (lower establishment) on mobilization by hired mechanical transport and a camel company to be maintained in the Punjab	1,00,000	1,00,000
(5) Suspension of proposed purchase of 264 4-wheel motor lorries	12,00,000	..	..
(6) Reduction of stocks of spare parts and stores for mechanical transport vehicles	15,00,000	..	5,00,000
(7) Standardization of types of vehicles: maintenance by manufacturers of stocks of spares
* (8) Reduction of staff and expenditure at Mechanical Transport Establishments	7,00,000	7,00,000
(9) Use of repair shops at Chaklala for repair of R. A. F. motors and vehicles
(10) Military launches; abolition of all, except such as are absolutely necessary at Bombay	1,50,000	1,50,000
(11) The use of hired transport should be reduced to a minimum (saving not estimated)
(12) The expenditure on transportation of troops and stores by rail should be confined to what is absolutely essential and should be carefully watched (saving not estimated)
(13) The annual relief movement of troops should for the present be confined to a narrow circle near the frontier. The list of "good" and "bad" stations should be reviewed in the light of present conditions and amenities	9,50,000	9,50,000

* Majority recommendation.

Recommendations.	Initial saving.	Recurring saving.	Saving in 1932-33.
(14) Furlough passages for Indian troops should not exceed two in a normal colour service of 7 years.	..	3,00,000	3,00,000
(15) Furlough passages to the United Kingdom in the case of British soldiers on the Indian Unattached list should be limited to 100 a year; in the case of regimental N. C. Os. and men should be confined to those who (<i>inter alia</i>) have served at least 4 years continuously in India.			
(16) Removal of soldiers and their families to the hills. This is dealt with under the Adjutant General's miscellaneous schedule
(17) The reduction proposed by the Q. M. G. in the cost of the embarkation staff should be realised: and if possible further reduction should be made	30,000	30,000
(18) Substitution of a system of travelling warrants for the present system of cash allowances for rail journeys
* (19) Use of intermediate class in lieu of 2nd class by British troops travelling as individuals	No saving. Only 3rd class fare is paid for 2nd class accommodation.	..
(20) Abolition of saloon cars, and substitution of 1st class carriages (saving not estimated)
(21) Restriction of A. H. Q. officers now entitled to tour in a 4-berth compartment to a coupe or to half a 4-berth compartment	15,000	15,000
(22) 10 per cent. cut in certain items of provision for travelling and outstation allowances..	..	1,80,000	1,80,000
(23) Review of grade of accommodation authorised for officers and others travelling on duty by steamer	61,000	.

* Majority recommendation.

Recommendations.	Initial saving.	Recurring saving.	Saving in 1932-33.
<p>The Q. M. G. has suggested various economies totalling so far as the ground covered above is concerned and so far as he has been able to evaluate the services to, say, recurring charges of Rs. 3,70,000 in D. M. Q.'s sphere of responsibility, Rs. 11,80,000 recurring and Rs. 48,25,000 initial in D. S. T.'s sphere of responsibility. Of these Rs. 1,07,000 in D. M. Q.'s directorate have been included in the above figures, and of D. S. T.'s saving Rs. 5,00,000 recurring and Rs. 15,00,000 initial have been included in the above figures, leaving to be added to the above figures Rs. 2,63,000 recurring in D. M. Q.'s sphere, and Rs. 6,80,000 recurring and Rs. 33,25,000 initial in D. S. T.'s sphere. (It is understood that some of the saving of expenditure on M. T. is merely a postponement expenditure)</p>			
Total (in list above) ..	27,50,000	28,36,000	30,50,000
From Q. M. G. ..	33,25,000	9,43,000	9,43,000
Total ..	60,75,000	37,79,000	39,93,000

CHAPTER VII.—REMOUNTS.

The expenditure has increased as follows:—

	1913-14.	1931-32.
Remount Depots	27,33,000	14,55,000
Cultivation Farms		5,90,000
Horse and Mule breeding operations ..		5,90,000
Purchase of animals		23,77,000
Total		50,12,000

2. Before the war the Army Remount Department performed a very small portion of the proper duties of such a service. It was responsible only for the provision of horses (except for Silladar Cavalry which provided their own) and of mules. Its functions were confined to the purchase and supply of animals but it was not responsible for giving expert advice on the control and distribution of animals in Commands and Divisions. The Department did not organise the resources of the country for war—nor was it responsible for supervising the mobilization of animals. It had little concern with officers' chargers.

3. We were informed that, since the war, the additional responsibilities assumed are mainly:—

- (1) provision of transport mules and officers' chargers;
- (2) organisation of animal resources of the country;
- (3) supervision of mobilization of animals and remount units in the field.

4. The Department is responsible for the encouragement of horse and mule breeding by private breeders in five areas with headquarters at Rawalpindi, Sargodha, Lyallpur, Montgomery and Meerut. It also maintains two breeding studs, two young stock depôts and three Australian remount depôts where imported horses are acclimatised before issue to the Army.

5. The total annual requirements of horses and mules are as follows:—

	Establishment.	Annual requirements.
Horses	24,130	3,336
Mules	24,768	2,220

These annual requirements are calculated on percentages determined by the useful life of each class. The sources of supply are as follows :—

				Annual requirements.
Draught horses	..	..	Australian	663
Rides, Class I	..	..	{ Australian	342
			{ Indian	180
Rides, Class II	..	..	{ Australian	1,120
			{ Indian	520
Riding Ponies Class I	..	..	Australian	65
Riding Ponies, Class II	..	..	Indian	74
Artillery Mules	..	..	Mostly American. Some bred in India.	384
Equipment and transport mules	..	..	Indian bred	1,674

The cost to the State of imported horses is said to be—

	Rs.
British Service horses	943
Indian Service horses	763

Indian bred horses, including purchase price, and maintenance for three years in depots, cost about Rs. 1,200 at time of issue for service. Imported artillery mules cost Rs. 900, Indian bred mules Rs. 800 and Army transport mules Rs. 350.

6. As the result of mechanisation the establishment of horses has been reduced by 3,430 and of mules by 6,500, and animal replacements have been reduced by 409 horses and 520 mules at a total saving of Rs. 16 lakhs a year.

7. Before the war there were 18 Remount Officers and 10 Veterinary Officers. In 1927 the unseconded attached regimental officers were seconded at a cost of Rs. 2,32,000 and at the present time there are 30 Remount Officers and 8 Veterinary Officers in the Department. The former are distributed as follows :—

Army Headquarters	..	..	..	..	3
Commands	..	..	..	..	4
In charge depots	..	..	..	..	17
Assistant and Deputy Remount officers	..	..	..	..	17
					<u>30</u>

We do not consider that it should be necessary to maintain three officers at Army Headquarters as well as four in Commands and we recommend that the four Command appointments be abolished. The need for as many as 17 Assistant and Deputy Remount officers is also open to question. With one exception, we consider that it should be possible to place depots in control of the Veterinary Officers with Indian officers to assist them and we recommend that a

scheme be worked out on these lines and a number of Assistant and Deputy Remount officers be replaced by Indian officers. We observe that 26 British other ranks are maintained and we recommend that these be replaced by Indian ranks.

8. Owing to the existence of a large number of over-age horses, a scheme has been in operation to rectify the position and up to date Rs. 10 lakhs have been spent. We understand that further provision will not be made for the present. We agree to this action which will save Rs. 2 lakhs next year.

9. We were informed that the reserve of horses maintained is 1,000, and of mules, 200. We doubt whether there is justification for maintaining so large a reserve at the present time and we recommend that it should be abolished or, at any rate, reduced to half its present size. Taking the average cost of a horse and a mule at Rs. 800, this latter course would save nearly Rs. 5 lakhs in purchases next year and about Rs. 1,50,000 a year on feed and keep. We also recommend that further encouragement be considered in the "bound" breeding areas so that any need for a reserve should disappear.

10. We have gained the impression, here as in other spheres of our enquiry, that very high standards are insisted upon. It has been stated to us that during the war some 50,000 animals were purchased in India, an average of some 12,000 animals a year; yet at present it is necessary to import some 2,200 horses out of the annual requirements. We are convinced that, if the standard could be lowered without serious loss of efficiency, considerable economies would be possible and the matter should be carefully investigated.

11. We note that an officer is sent to America annually to purchase mules for the Indian Army. We consider that enquiry should be made whether the purchases for Home and Indian requirements could not be made by one officer with consequent economy. Further, a retired officer of the Remounts Department is paid £300 a year for his services in purchasing 10—12 stallions annually. We consider this an expensive arrangement and recommend that enquiry be made whether the War Office could not make cheaper arrangements.

12. We note that Australian horses are maintained for some 9 months in the Remount Depots in order to acclimatise. The cost of maintenance of the establishment of 2,500 horses at these depots is stated to be about Rs. 5 lakhs and there are further heavy charges in supervision and administration. We were informed that it was cheaper to keep these horses at the depots than to keep them with units, but there would be real financial saving only if the shortage in horses in units was equal to the number in the depots. At present 25% of horses are sent straight to cavalry units and we recommend that at the present time the policy be reviewed and either the system of depot acclimatisation be abolished or the number of horses so maintained be very largely reduced.

13. We are informed that infantry officers and officers of dismounted units who are entitled to be mounted are allowed to purchase over-age cast horses at Rs. 80. We consider that officers of such units should be further encouraged to purchase animals of this class in lieu of optional chargers from remounts. As regards the casting of horses, we suggest with some diffidence that the age might be extended in present circumstances so that it would be

an exception to cast under 17 years. We also feel that it should not be necessary to maintain such a high standard of horses for use in connection with internal security duties. In regard to casting, we recommend that improved advertising methods be devised so as to secure better prices.

14. We also recommend that, as the "unbound" breeding areas do not give a proper return, they should be abandoned and possible savings effected on travelling expenses and on maintenance of stallions.

15. We notice that nearly six lakhs of rupees are expended on cultivation farms for the production of grain and fodder for the animals in the department. We have not investigated whether this is an economical arrangement. We recommend that the whole question be examined and a report made to us at our later meeting.

16. We have been informed that the Quarter-Master General, as a result of our discussion with him, has appointed an expert committee to enquire into several of the points considered by us. These are—

- (1) abolition of one depot ;
- (2) concentration of studs ;
- (3) reduction of British other ranks and substitution of Indians ;
- (4) acclimatisation ;
- (5) raising of casting age ;
- (6) acceptance of lower standards ;
- (7) reduction in the number of chargers now maintained by officers either obligatory or optional.

Enquiry is also being made as to the issue of syce and forage allowance for, and the sale at concession rates of, optional chargers.

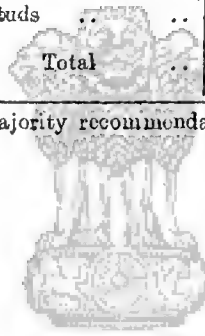
We strongly recommend that these questions be most carefully reviewed and every attempt made to reduce the heavy cost of this department by at least five lakhs of rupees a year.

REMOUNTS.

Summary of recommendations.

Recommendations.	Initial saving.	Recurring saving.	Saving in 1932-33.
	Rs.	Rs.	Rs.
(1) Abolish 4 officers in Commands .. ..	..	75,000	75,000
* (2) Substitute Indian officers for Assistant and Deputy Remount officers—ultimate saving ..	..	1,00,000	..
(3) Reduction of purchases to replace over-age horses	2,20,000	..	2,20,000
(4) Reduction of reserve of horses and mules ..	5,00,000	1,50,000	6,50,000
(5) Various measures, such as reduction of standards, amalgamation of depots and studs	4,00,000	4,00,000
Total ..	7,20,000	7,25,000	13,45,000

*Majority recommendation.



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CHAPTER VIII.—VETERINARY SERVICES.

The establishment of these services has varied as follows :—

	1914.	1922.	1934.
British officers	64	81	66
British other ranks	23	23	4
Veterinary Assistant Surgeons .. ..	..	219	132
Clerks	29	47	54
Indian other ranks .. ..	...	1,470	542 <i>plus</i> 222 reservists..
Followers, etc.	4	121	90

The cost in 1913-14 was approximately Rs. 5 lakhs ; the provision today is nearly Rs. 10 lakhs.

2. At present there are 30 veterinary hospitals Class F and 16 Class II. It is stated that there is not much difference between the two classes but a review has been made and several hospitals have been reduced to Class II at a saving of Rs. 18,000. We recommend that further reductions be made if possible.

3. We understand that of the establishment of officers two are at Army Headquarters and one in each Command. At present, appointment as Veterinary officer is limited to those possessing the qualifications of a Member of the Royal College of Veterinary Surgeons. Indians are, we understand, now taking up this qualification in increasing numbers and should be available for appointment on emoluments lower than those at present drawn by British officers. We recommend that future appointments be filled from this class as far as possible and in addition, Veterinary Assistant Surgeons should gradually replace the present class of officers in the less important appointments.

4. There are at present 11 military students at the Punjab Veterinary College who cost the State Rs. 20,000 a year. We understand that this system of training and recruitment will be discontinued giving a saving next year of Rs. 11,000 and an ultimate saving of Rs. 20,000 a year.

5. The present reserve of I. A. V. C. is to be reduced to 100 saving Rs. 10,000 a year. We recommend a further reduction to 50 saving a further Rs. 5,000 a year.

6. Various other proposals for economy are under consideration by the Quarter-Master General involving a recurring saving of Rs. 33,000 next year and we recommend that these proposals be brought into effect without delay.

CHAPTER IX.—MEDICAL SERVICES AND MEDICAL STORES DEPOSITS.

The expenditure on establishment charges of the Medical Services is as follows (in thousands) :—

	1913-14.	1921-22.
India	79.74	1,48.09
England		15.50
		<hr/> 1,63.59
LCSS receipts		2.20
Net		<hr/> 1,60.39

2. In addition to the above charges in the current year may be added, in order to complete the picture, the following approximate figures :—

	Rs.
(a) Supplies of medicines and instruments	15,00,000
(b) Provision and supplies	12,00,000†
(c) Clothing for patients	2,68,000
(d) Rations and clothing of I. H. C.	4,00,000
(e) M. E. S. charges for hospital work in progress and new hospitals..	12,50,000

3. The staff is as follows (the figures for 1914 and 1922 are taken from the Inchcape Report) :—

	1914.	1922.	1931.
R. A. M. C. officers	333	332	290+10 R.A.F.
I. M. S. officers	273	495	397
B. O. R. .. .. .	..	450	460+27 R.A.F.
Assistant Surgeons	436	416	365
Sub-Assistant Surgeons.. .. .	731	739	742
I. H. C.	6,512	12,065	9,413
I. H. C. Reserves .. .. .	..		4,300
Nursing sisters	91	267	279
Dental officers	7	18	26
Army Reserve of Officers .. .. .	..	..	339

4. The numbers for whom attendance is provided, including women and children in the case of British troops and followers in the case of Indian troops, are stated to be as follows :—

	1914.	1922.	1930.
British	98,500*	90,286	82,230
Indian	221,000	217,763	188,926

* The number of women and children for this year is not available but has been calculated in proportion to other years.

† This does not appear to include the value of dairy produce issued by the Farms Department amounting to over Rs. 8 lakhs.

The number of hospitals is stated to be as follows :—

British Military Hospitals	..	..	..	..	83	
Indian Military Hospitals	..	..	..	..	95	
Hospitals in which number of beds are—					B. H.	I. H.
Less than 20	..	..	..	..	26	19
Above 20 but less than 30	..	..	..	..	7	9
Above 30 but less than 40	..	..	..	..	9	15
Above 40 but less than 50	..	..	..	..	7	12
Above 50 but less than 100	..	..	..	..	25	21
Above 100 but less than 200	..	..	..	..	8	15
Above 200 but below 300	..	..	..	..	1	3
Above 300	..	..	..	..	..	1
Total					83	95

5. As regards the establishments of R. A. M. C. and I. M. S. officers, no definite basis is given to fix the strength in relation to the numbers of personnel served. There is apparently no fixed ratio of officers to the number of hospitals or to the amount of hospital accommodation. We have been informed that the number was originally fixed in proportion to the strength of troops but the present establishments are stated to be arbitrary. We were told for example that if a medical officer ceased to be required on disbandment of a battalion on the frontier, the establishment would not be reduced as the officer would be allotted to make up the number required on the outbreak of war. The establishment apparently has relation to mobilization requirements as we have been informed of the shortage in that event but what that relation is we have not been informed, as the question is not finally settled.

6. We have examined various methods of calculation which have been recommended in the past :

(a) The Medical Services Committee (Verney Lovett) of 1919 held that the strength of medical officers for British troops should be calculated at 3 per mille *plus* a leave reserve : the Director of Medical Services of that time considered that a peace establishment based on 3·5 per mille would probably suffice. Calculated on the present strength of British officers and other ranks—about 68,000 including R. A. F.—this percentage would give a requirement of 238 officers for the R. A. M. C., whereas the number provided for under the head “British Military Hospitals” is 264 to-day. The 3 per mille recommended did not, however, include provision for higher administrative appointments, for which there would be a margin of 26 according to our calculation.

(b) As regards I. M. S. officers, a committee of Indian Medical Service officers which worked out the details of the scheme for Indian Station Hospitals considered that 260 officers was the minimum required for about 192,000 troops and followers. The

present strength of troops and followers is 189,000 and in the same proportion 256 officers would be required to-day. We are informed that the actual number engaged to-day on station duties is 267 exclusive of administrative and special appointments for which the balance of 130 officers seems excessive.

- (c) The number of beds available in the case of British personnel has been reduced from 8,684 in 1922 to 5,723 to-day. If a ratio were accepted between the number of officers and the accommodation in hospitals, the 332 R. A. M. C. officers of 1922 would be reduced to about 218 to-day. Similarly the accommodation for Indian troops has been reduced from 13,750 in 1922 to 7,020 to-day. With this reduction the 495 I. M. S. officers of 1922 should be about 253 to-day.

We realise that it is not possible to base the strength of officers entirely upon such calculations, but at the same time we do submit that the trend of these figures indicates that some reduction in superior staff should be possible.

7. We find it very difficult to make definite proposals to satisfy the urgent need for retrenchment in the superior staff of these services especially as the medical authorities themselves have not been able to help us, in this case, towards a solution. We are thus forced to make our own estimates with regard to general considerations and we feel the more justified in so doing, inasmuch as the present strength of the superior services is, so far as we have been able to ascertain, based upon considerations which are also of the most general character. The considerations which influence us are—

- (a) The cost of the medical services has been doubled since 1914 despite a considerable reduction in the forces served. In 1913-14 the cost of the medical services was 79.7 lakhs apart from the cost of maintenance of hospitals, clothing, medicines, etc.; to-day the corresponding figure is 160 lakhs. That cost now represents a very considerable proportion of the total cost of the administrative services and we cannot help feeling, after a very detailed investigation of the case, that the whole organisation is maintained on a scale which the country cannot possibly afford.
- (b) The general health of the troops, both British and Indian, has greatly improved of recent years. We are informed that the death rate since 1900 has fallen from 14.6 per thousand for British and 14 per thousand for Indian troops to 2.78 and 3.3 respectively in 1930. The admission rates per 1,000 during the period 1904—1908 was 840 for British and 639 for Indian troops. In the period 1920—30 it was 617 and 398 respectively. For this improvement a full meed of praise is due to the medical services. But at the same time we consider that the improvement continues to exist under conditions which are now, in large measure, stabilised. We refer to the higher modern standards of barrack and hospital accommodation and lighting—which alone in the last four years have cost over 4 crores of rupees; water supply has been greatly improved everywhere. The incidence of disease

has fallen to a marked extent as a result of inoculation against enteric which once levied so heavy a toll on the Army. Anti-malarial measures and improved drainage schemes have been carried out generally in cantonment areas. The arrangements for feeding and clothing troops have reached a high and expensive standard, nor would we omit to notice the provisions for the mental and moral well-being of the troops. All these measures in their cumulative effect have cost the State many crores of rupees and we cannot but feel that it is unnecessary to maintain the present high standards of supervision and that we, therefore, can fairly recommend a reduction in the expenditure, on this account.

- (e) Further—and this we regard as a very important consideration which involves a change of policy—there exists a staff of 365 Assistant Surgeons for British troops and of 742 Sub-Assistant Surgeons for Indian troops, whose services, we consider, should be more extensively employed in a higher capacity than at present. We have been informed that, as regards Assistant Surgeons, they have proved satisfactory when they have held full charge and we further understand that some 90% of cases admitted to hospital are of a character which would fall within the capacity of this class. In making this recommendation we are following the advice of the expert Verney Lovett Committee of 1922 to which we have already referred. Similarly, as regards Sub-Assistant Surgeons, we consider that on the evidence given to us they should be entrusted with greater responsibility. It must be remembered in this connection that it is on these two classes that the health of the civil population very largely depends.

8. On these general considerations therefore we recommend that the present establishment of R. A. M. C. officers should be reduced from 300 (including R. A. F. officers) to 250 and of I. M. S. officers from 397 to 350. These reductions should be effected with the greatest expedition possible. Calculating on the average cost, we estimate the saving at about Rs. 14,00,000 a year.

9. We desire to refer to another matter which is relevant at this point. Figures supplied to us show that there are at present 208 European officers in the I. M. S. and 111 permanent Indian officers. According to the ratio of European to Indian officers which we understand is in force, there should be 270 of the former. We understand that great difficulty is experienced in attracting recruits at home despite the liberal terms offered which include a gratuity of £1,000 at the end of 5 years and £2,000 at the end of ten years if the officer retires, and in order to make up the deficiency 81 Indian officers are maintained on a temporary basis and most have served for periods ranging from three to nine years at the end of which they are liable to be discharged without any gratuity. We consider that such a system is neither fair to the young officers concerned nor productive of efficient and economical service to the State. The majority of us further consider that the ratio of Europeans to Indians should disappear in the regulations as it has disappeared in fact and that the present temporary Indian officers, if they have proved suitable, should be confirmed in their appointments. In making our recommendations for reductions in the

cadre of the Indian Medical Service the majority of us desire to emphasise that they do not intend a reduction in the present grade of temporary officers but in the more expensive appointments.

10. The number of R. A. M. C. other ranks maintained as nursing orderlies in British hospitals is 460. There was no such establishment before the war when these duties were performed by men detailed from the fighting units without replacement. The cost of this establishment is about Rs. 7 lakhs a year. In addition there still remain some 683 nursing orderlies from regimental establishment of whom 365 are trained and 318 under training. While we appreciate the reasons which have led to the establishment of such a nursing service no longer maintained at the expense of fighting strength, the majority of us are definitely of opinion that it should be formed from Anglo-Indian or Indian personnel. The main objection urged to this proposal is that it would be difficult to maintain discipline in the wards without British orderlies. We think that this is a difficulty which is by no means insuperable particularly if a number of British orderlies remained for supervision in the larger hospitals. We would recommend the retention of 100 British orderlies and the replacement of the others (on pay much lower than that now drawn by British orderlies) by Anglo-Indian or Indian nursing orderlies; if the latter, if possible, those with some slight knowledge of English. In the latter case the saving in pay alone for 360 personnel would be about Rs. 3½ lakhs apart from savings on capitation rate, rations and clothing. One of our colleagues considers that only half of the present establishment should be so altered and another draws attention to a note he has appended.

11. As regards Assistant Surgeons numbering 365 who are maintained solely for British hospitals, we have already recommended that they should be employed in more responsible positions replacing superior officers in full charge of suitable units. They should, we think, be designated Assistant Medical Officers. This branch of the service should be opened to Indians as well as Anglo-Indians, though a number not exceeding 20% of appointments should, we think, be definitely reserved for the latter community. The present rates of pay are, we think, too liberal and a scale of Rs. 200 to Rs. 500 should suffice.

12. Sub-assistant surgeons with Indian troops number 742 compared with 739 in 1922, though the number of Indian troops and followers has fallen from 218,000 in the latter year to under 189,000 at the present time. We understand that it is proposed to reduce the number by 50 and form a reserve of 150 with a saving after the first year of Rs. 41,000. We agree with the proposed reduction but consider that it should not in the present times be accompanied by any further formation of reserves. We have recommended that these sub-assistant surgeons should be more extensively employed in more responsible positions and we therefore make no further recommendations.

13. The number of British nursing sisters is 224 compared with 91 in 1914 when the number of British personnel was much higher. The pay of the British nurse ranges from Rs. 265 as Staff Nurse to 680 as Lady Superintendent, while the pay of the Indian Nursing Service ranges from Rs. 175 to Rs. 275. The allowances of the former are also higher. A substantial saving would thus be effected by replacing the British nursing service throughout by Anglo-Indian and Indian nurses who, after all, mainly staff the civil hospitals in India.

The majority of us therefore recommend that the latter class alone should be engaged in the future. We recognise that this involves a change of the present policy that British attendants should be furnished for British troops but with one exception, we maintain that such a change should be made in the present times.

14. As regards accommodation in hospitals, British and Indian, we note that there has been a substantial reduction since 1923 when the Inchcape Committee made its recommendations. The number of beds was then 22,400 : it had fallen to 12,700 in 1930. We have had very full statistics of the extent to which this accommodation is utilised and the evidence indicates that in most cases the accommodation is still very considerably in advance of the average daily number of sick and also usually well in advance of the highest number of sick on any day in the last few years. Though there are a fair number of exceptions, we do not recommend a further reduction of beds under the present system but rather propose a change of that system. In the majority of stations there exist separate British and Indian hospitals both incompletely occupied and we are strongly of opinion that these should be amalgamated wherever possible as has already been done in some cases and is being done in future construction. Separate wards should be retained for British and Indian personnel. The supervising, nursing and orderly staff should, however, be common to both sections. We understand that this system could be generally adopted provided that the policy to which we have referred is changed, subject to adjustment of accommodation in certain stations. Amalgamation on these lines would result in very considerable savings and we recommend that it should be brought into effect without delay in every possible case. The cadre of officers is likely to be materially affected by such amalgamations and we propose that any reduction in the establishment which can be secured by amalgamation should be in addition to those already recommended on general grounds. In this connection it has been represented to us that the scales and stocks of equipment and clothing of hospitals are on a liberal scale. Amalgamation of hospitals should secure some reduction, but we consider that occasion should be taken to review both the scales and the stocks held on charge in order to secure economy.

15. We observe that there has been a great increase in the strength of the Indian Hospital Corps. Before the war for a larger number of troops there existed a formation known as the Army Bearer Corps numbering about 6,500. The present Corps numbers 9,413 and there is also a sanctioned reserve of 4,300 (the actual number at present being 3,060), the latter being an entirely new formation.

The Corps is made up of 4,926 General Section, 2,229 Ambulance Section and the balance is divided into Nursing, Stores and clerical sections. The General Section provides for some 834 cooks, 808 water carriers, 1,168 ward servants, 732 washermen, 94 barbers and 1,290 sweepers. Further, we are informed that of the Ambulance Section about 1,000 men are needed for peace requirements and that the balance costing some Rs. 1,80,000 are a definite war provision.

We consider that this very greatly increased establishment should be substantially reduced in existing circumstances and the maintenance in peace of 1,200 men for mobilization purposes seems to us, under present

conditions, hard to justify. We recommend that the total strength be reduced to this extent but we leave the actual distribution of the reduction to be made in the most convenient manner by the medical authorities. As regards the reserve, which is a new departure, we consider that here, as in the case of other mobilization reserves of personnel, animals and stores, the financial position renders it imperative to reduce the scale of insurance. This I. H. C. reserve, we are informed, costs about Rs. 1,00,000 a year, and we recommend that the actual numbers be reduced to 2,000 only and that further savings on the remainder be secured by limiting the training for the nursing sections to a fortnight in the year or to one month in two years as may be most convenient.

16. We note that an establishment of 26 Dental Officers and 43 B. O. Rs. is maintained for British troops as compared with 7 officers in 1914. It was stated that the saving on this establishment as compared with the cost of a contract system with private dentists is very considerable. It is under contemplation to extend this service. We recommend that Assistant Surgeons be given more advanced training in dentistry (which is already to some extent part of their course) and that the present dental service be gradually eliminated, save for 10 officers who should be retained to supervise the work of Assistant Surgeons. At this stage we would also state that we see no reason to maintain an officer of the dental service at Army Headquarters.

17. We are informed that 91 officers of the medical services obtain an additional allowance of Rs. 100 a month for being in possession of specialist qualifications. We see no reason for the continuance of such allowances. Officers obtain study leave on liberal terms to enable them to qualify in special branches of their profession and being so qualified they have better chances of promotion and posting to better stations. The majority of us think, therefore, that this special allowance should cease forthwith and a saving of over one lakh be secured.

18. In the Pathological and Hygienic Branches of the Service there are the following officers :—

Army Headquarters	8
Commands	5
District Headquarters	23
Brigade Laboratories	12
Others	2
Total	45

While we appreciate the value of the work done by these officers as explained in a very full note which has been furnished to us, we consider that at the present time and in view of the general considerations to which we have already referred in paragraph 7, it is in this special branch that room could be found for reduction in the number of officers by amalgamating pathological and hygienic duties in one person in some cases or in others by amalgamating areas of supervision. Nor do we appreciate the necessity for 8 officers at Command and Army Headquarters. As, however, we have allowed for reductions

in this sphere in our general recommendations for reduction of the R. A. M. C., and I. M. S. cadres, we make no separate specific deduction in this case. We also suggest that, where it would be economical to do so, civil laboratories be resorted to wherever they exist as has been done in Simla.

19. *Field Medical Units*.—We have been furnished with a list of these units but have no information so far of the personnel and other costs involved in their maintenance. This question is closely linked with the general question of mobilization reserves and we reserve it for further consideration and in the meantime would suggest that the matter be fully examined in order to secure economy. The D. M. S. informed us that he had already been able to make savings of nearly Rs. 3 lakhs initial and one lakh recurring in these directions.

20. As regards expenditure on hospital buildings we have already recommended to the Army Department that two projects amounting to about Rs. 12 lakhs, which were to be commenced shortly, should be postponed. The general question of hospital works will come under our review when we come to deal with expenditure on military works generally.

21. *Medical Colleges and Schools*.—The total expenditure under this head is Rs. 2,97,000 of which Rs. 1,59,000 is on account of capitation payments to local Governments. The estimate is divided as follows :—

	Rs.
Sub-assistant surgeons (220)	1,00,230
Assistant Surgeons (115)	1,96,770

We were informed that if the appointments were thrown open freely to all communities there should be no difficulty in obtaining a sufficient supply by direct recruitment without training at the cost of the State and we recommend the adoption of this method. As regards Assistant Surgeons, the difficulty appears to be that they are now recruited from one class, the Anglo-Indian, and require assistance for their training. We have already recommended that appointment of Assistant Surgeons be thrown open to Indians also and if this is done, we understand there should be no difficulty in securing sufficient numbers. The full saving under our proposals will not be secured until the present students pass out.

22. *Medical Store Depots*.—The cost is as follows :—

	Rs.
Administration and Workshop charges and local purchases	29,33,000
Purchase of stores in England	13,75,000
	<hr/>
	43,08,000
Receipts from local Governments, etc.	34,03,000
	<hr/>
Net cost	9,05,000

Against the net cost must be set off the value of supplies to the Army of medicines and instruments valued at about Rs. 15 lakhs. The trading accounts indicate a profit of Rs. 85,000, but we understand that too much reliance cannot be placed on their commercial accuracy.

The total stocks carried amount to Rs. 36 lakhs including Rs. 32 lakhs of working stocks and over Rs. 3 lakhs of mobilization reserves. It is doubtful whether the latter is wholly necessary in view of the large working stock, the bulk of which is held for other than Army requirements and can be called upon when needed. Further, we understand that the stock includes 3 months' supply of locally produced articles and 6—8 month's supply of imported articles. We consider that this stock could be safely reduced to 2 months and 4—6 months respectively, saving about Rs. 6—10 lakhs in the ensuing year.

As regards other points considered by us the D. G., I. M. S., has promised to consider the possibility of amalgamation of depots and to revise the list of indents to see whether more articles, particularly instruments, could not be obtained in India. We also desire that investigation be made into the necessity of maintaining officers of high rank in charge of these depots as it seems probable that junior officers or senior Assistant Surgeons would suffice.

23. Having examined these services in detail, it remains for us to refer to two general considerations on which the possibility of economies on the lines we have suggested depends and to recapitulate certain arguments.

In the first place in the medical services, possibly more than in any other department of the Army, economy can only be effectively achieved by the co-operation and advice of the staff concerned, with their intimate administrative experience and their special knowledge. We fully realise the reluctance of those in authority to reduce in any way the standard of service which they have built up. They are responsible for the health of the troops in peace and for preparation for medical services in war: statistics show the high level to which they have raised the general health of the Army in peace and we have no reason to believe that their preparations for war are not equally effective. But the question is whether the country can afford the cost of the existing organisation and whether economies cannot be carried out without undue risk either in peace or war.

As regards peace, in recommending a reduction in the establishment of the R. A. M. C. and I. M. S. we have been influenced by the view, based on the evidence we have heard, that greater use could be made of the assistant surgeon and sub-assistant surgeon class, by the large number of administrative staff appointments, and by the possibility of curtailing activities now that so much pioneer and experimental work has been completed. The majority of us who have knowledge of the country also hold that many of these officers are not fully occupied during a greater part of the year. Some of us wish, on the contrary, to record that they have had no evidence to justify them in coming to this conclusion. As regards mobilization we would emphasise that since 1913-14 an establishment of over 300 reservist officers has been added and that medical assistance from civil sources can be much more easily secured than 15 or 20 years ago. We are aware of the regrettable history of the medical breakdown in Mesopotamia, (which quite naturally weighs very heavily with the medical authorities) but we have been informed by the D. M. S. that the medical arrangements on other occasions have not been found inadequate and that in Mesopotamia the breakdown was largely a question of transport. Moreover the campaign in question was not one of a kind towards

which present policy contemplates that preparations should be directed. For these reasons we think that the Government should call upon the assistance of those responsible to secure economies which will bring the cost of this service more into accord with what the country can afford.

The second general point to which we draw attention is that many of the economies recommended depend on a reversal of the policy, which has hitherto obtained, of a separation between the medical services for British and Indian troops respectively. The majority of us have recommended an immediate extension of the policy of amalgamation of hospitals, the introduction of a large percentage of Indian orderlies to attend on British patients in lieu of warrant officers, N. C. Os. and men of the R. A. M. C. and the use of Anglo-Indian and Indian nurses in lieu of relying on a service brought from overseas. From a financial point of view the advantages are obvious: a reversal of existing policy will avoid duplication of staff, stores and accommodation: will substitute orderlies drawing appropriate Indian rates of pay for those drawing more than 100 rupees a month (a sum more than the rate paid in many cases to the qualified sub-assistant surgeon who actually treats the Indian patient); and will replace nurses whose scales of pay alone run from 265 rupees to 680 by those whose scales of pay are from 175 rupees to 275. But in addition to the financial aspect the majority of us wish to stress the importance of the change advocated from a policy point of view. British and Indian soldiers fight together and are treated together in the field and we hold that the same principle should apply in peace. The abolition of the present distinctions will, in our opinion, make for that spirit of comradeship between British and Indian soldiers which it is of the highest importance to engender.

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Summary of recommendations under Medical Services, etc.

Recommendation.	Initial saving.	Recurring saving.	Saving in 1932-33.
	Rs.	Rs.	Rs.
(1) Reduction of 50 R. A. M. C. officers and 47 I. M. S. officers. Saving difficult to estimate but put at .. .. .	..	14,00,000	..
* (2) Replacement of 360 British nursing orderlies by Anglo-Indian or Indian orderlies .. ..	..	5,00,000	..
* (3) Replacement of 224 British nursing sisters by Anglo-Indian or Indian sisters .. ..	..	4,00,000	..
(4) Amalgamation of British and Indian hospitals—no estimate possible at this stage .. ..	..	..	..
(5) Reduction of Indian Hospital Corps by 1,200 active service and 1,000 reservists .. ..	..	3,00,000	..
(6) Gradual reduction of 16 Dental officers and replacement by trained Assistant Surgeons .. ..	..	1,50,000	..
* (7) Abolition of specialist allowance .. ..	..	1,09,000	..
(8) Reduction of field medical units (no estimate available) .. ..	..	..	..
(9) Abolition of system of training medical students .. ..	..	2,97,000	..
(10) Reduction in stocks in medical store depots	7,00,000	..	7,00,000
Estimated effect of (1) to (9) for next year .. ..	..	..	9,00,000
Total	7,00,000	31,56,000	16,00,000

* Majority recommendation.

NOTE.—It is difficult to estimate how much of the recurring saving can be secured next year, if the recommendations are accepted, as this depends on disposal of existing personnel; but for purposes of this report a rough estimate of Rs. 9,00,000 for all recommendations is assumed for 1932-33.

CHAPTER X.—MILITARY ACCOUNTS DEPARTMENT.

1. The following table gives a comparison—(a) of the strength of the Military Accounts Department on 1st April 1914, 1st April 1922 and 1st April 1931, and (b) of the cost of the department in those years.

(a) *Strength.*

	Strength on 1st April 1914.	Strength on 1st April 1922.	Strength on 1st April 1931.
Officers of the Superior Service	58	60	59
Officers of the Subordi- nate Service ..	25	139 (including 52 temporary ap- pointments).	101 (including 11 additional offi- ciating appoint- ments).
Accountants	256	509	467
Clerks	1,575	3,194	3,736
Temporary clerks ..	125	1,746	280
	(b) <i>Cost.</i>		
	1913-14. Rs.	1921-22. Rs.	1931-32. Rs.
	30,50,000	98,50,775	1,16,25,000

The main reasons for the increase in the numbers and cost of the department compared with the pre-war figure are :—

- (i) The preparation of pay accounts of Indian units. Prior to 1913/14 these accounts were prepared under regimental arrangements and the cost of the staff concerned was charged to the various arms of the service which accounts for Rs. 11 lakhs.
- (ii) The preparation of store and manufacturing accounts of the Royal Indian Marine. In 1920 an office of Controller of Marine Accounts under the Military Accountant General was formed at Bombay and took over the staff employed in the Marine Section of the late Senior Controller of Military Supply Accounts and the staff employed on the maintenance of the store and manufacturing accounts of the Bombay Dockyard under the Director, Royal Indian Marine.
- (iii) The formation of the office of Controller of R. A. F. Accounts in 1920 to deal with the accounts of R. A. F. units.
- (iv) The preparation and audit of Military Works expenditure. The latter was transferred in 1921 to the Military Accountant General from the late Chief Examiner of Accounts, Military Works Services, and the former in 1928 from the Military Engineer Services.

- (v) The preparation of cost accounts of Army Ordnance and Clothing Factories. In 1922 personnel of the Military Accounts Department was posted to the Ordnance and Clothing Factories for the preparation of cost accounts.

These last four items account for Rs. 17 lakhs.

- (vi) The preparation of priced store accounts of arsenals and of supply and store depots. In 1922 personnel of the Military Accounts Department was posted to arsenals and to supply and store depots for this purpose which accounts for Rs. 9 lakhs.

Apart from the increases in work, necessitating an increase in the staff of the department, the cost of the department has been increased by revision of the rates of pay following the revision of that of similar grades in the Civil Services, *e.g.*, in 1920 the minimum rate of an accountant went up from Rs. 110 a month in the case of those serving in the Northern area to Rs. 150 a month, and in 1925 to Rs. 210, while the scale of clerks' pay, which was from Rs. 30 to Rs. 100 a month in 1914, became Rs. 50 to Rs. 170 in 1920 and Rs. 55 to Rs. 225 in 1925.

2. There are three classes of officers in this service—officers of the Superior Service, gazetted officers of the Subordinate Service, and a third class consisting of accountants and clerks, promotion from one class to the other being also permissible. The sanctioned strength of the officers of the Superior Service is 59 the actual strength being 66, the extra 7 holding seconded appointments. The 59 officers are distributed as follows:—

In charge of Factory Accounts	..	..	..	2
Military Engineering Services	..	..	..	1
Royal Indian Marine	..	..	..	1

The remaining 55 are distributed, broadly speaking, either as Command or District Controllers or in the offices of Command or District Controllers. Of these 55 only 47 are on active duty, the others apparently being on leave. These officers of the Superior Service are divided into three classes exclusive of the Military Accountant General who draws a pay of Rs. 2,750, a month. Command Controllers receive Rs. 2,250 a month or Rs. 2,450 when the appointment is held by a military officer. Class I officers' average monthly rate of pay is Rs. 1,702 and Class II officers' Rs. 938. There are 4 Command Controllers and 7 Class I officers of whom all but one are Europeans. The gazetted officers of the Subordinate Service number 101 with an average rate of pay of Rs. 678 a month. Among the accountants and clerks the accountants number 464 and the clerks 4,007, the average rate of pay of the accountants being Rs. 367 a month and that of the clerks Rs. 119. Among the officers of the Superior Service out of a total of 66 including 7 officers holding seconded appointments, 38 are Europeans and 28 Indians. Among the Europeans 9 were promoted from the Subordinate Service and among the Indians 4 were promoted from the Subordinate Service. After the Great War it was decided to man the Superior Service of the Department by Indian officers obtained by competitive examination except to the extent of 1/3 of the vacancies which were to be filled by promotions and it is stated in the Army Budget for 1930-31 that the latest and future recruitments are confined almost entirely to Indian civilians. From 1924 there have been 29 vacancies

filled, of which 18 have been by direct recruitment (1 European, 17 non-European) and 11 by promotion. Of those promoted 9 were Europeans and 2 non-Europeans. The direct recruitment of the European is stated to be in accordance with the policy of an occasional direct appointment of this character and, we are told, was made on account of the personal suitability of the officer concerned. Every European recruit means additional cost to Government in the shape of leave privileges, overseas pay and passages. As regards the 101 gazetted officers of the Subordinate Service, the 464 accountants and the 4,007 clerks, they are distributed as follows :—

Gazetted officers.							Accountants and Clerks.
10	Factories..	..	..	..	..	..	473
..	Medical Store Depot	..	..	..	..	..	76
5	Military Engineering Service	..	..	..	..	..	668
2	Royal Indian Marine	..	..	..	..	..	68

and the balance of 84 gazetted officers and 3,186 accountants and clerks is in Commands and Districts. By the proposed amalgamation of the offices of Controller of Military Pensions Accounts at Lahore and Mhow with that of the Controller of Military Accounts at Lahore District it is stated that one Superior Service officer and 1 gazetted officer of the Subordinate Service will not be required together with 12 clerks and it is also stated that by reducing the strength of the leave reserve 2 Superior Service officers may be dispensed with. The other proposals recommended by the Military Accountant General dealt with below contemplate a reduction of no further Superior Service officers but of 8 gazetted officers and 454 accountants and clerks. Although some of the recommendations involve reduction of accountants and clerks even to the extent of 230 in one instance, no reduction of Superior Service officers and a reduction of only one gazetted officer is contemplated. Of the 9 gazetted officers proposed to be reduced seven are expected from an experiment which is proposed to be made mainly by delegating to superintendents functions of lesser importance. It is therefore noticeable that, notwithstanding the proposal to take away 466 clerks and accountants or rather, excluding the one case with 12 clerks, 454 accountants and clerks out of a total of 3,186 clerks and accountants there is no corresponding reduction either of gazetted officers of the Subordinate Service or of officers of the Superior Service. And this becomes all the more noticeable in the light of later proposals (not however recommended by the Military Accountant General) which would have involved a reduction of additional clerks to the extent of 477 without any further reduction either of gazetted officers or officers of the Superior Service. We have to advert to this at once as we have pointed out to witnesses more than once in the course of our enquiry a retrenchment policy and programme which do not touch the officers to any appreciable extent but merely affect clerks and accountants is bound to arouse, as it has already done, bitterest opposition to any scheme of retrenchment and place the Committees and Government in a most awkward position. The accusation is bound to be made "the proposals for retrenchment come from officers and they take care to save their own cadre whether European or Indian". Unless we take care and every care to avoid any cause reasonable and plausible for such accusation, we are bound to fail in effecting economies. We on our part are determined to see that justice is done in all directions impartially.

We cannot find any system or policy on which the strength of the superior staff is fixed in relation to the strength of clerks and accountants. In the Quetta Command there are only 312 clerks and 35 accountants with 9 gazetted officers of the Subordinate Service, 3 Superior Service officers and 1 Command Controller. The Controller of Military Accounts at Lahore is a Class I officer, while in every other District there are only Class II officers. In Rawalpindi there are 875 clerks and 101 accountants, with a Command Controller and one Class I officer. But Poona and Meerut with only 504 and 495 clerks and 60 and 57 accountants respectively, have the equal privilege of having a Class I officer as well as the Command Controller. It should be noted that the average difference in pay between the two classes is Rs. 760 a head a month.

3. In the course of our examination, a suggestion was made that the Military Accounts Department should be placed under the control of the Auditor General. At present the Auditor General, in order to carry out his statutory obligations, has under him a Director of Audit and a staff to carry out a test audit of the army accounts. It is suggested that, if the accounts were directly under the Auditor General, as accounts of the Civil departments are, this test audit would be unnecessary, and the cost of the staff of the Director of Army Audit costing Rs. 4½ lakhs would be saved. The question is however one which is intimately connected with the control of Army expenditure, and we propose to defer dealing with it until we report on the general question of financial control.

4. We have had before us the following list of economies which have already been considered and decided, or practically decided, by the Military Accountant General :—

- (i) By various adjustments of work, by the introduction of machines and by reason of the closing of the Factory and the Arsenal at Madras the Military Accountant General was able to reduce his establishment by June 1931 from that authorised on 1st April 1931 by 1 gazetted officer and 61 accountants and clerks.
- (ii) When the new system of pension audit has been got into working order, there will be a reduction of :—
 52 accountants and clerks
 who were engaged in connection with establishing the new system.
 The saving will take full effect by December 1931.
- (iii) When the extra work in connection with Burma is finished there will be a saving of 14 accountants and clerks.
- (iv) The dispensing with the reconciliation of amounts due on account of payment issues as shewn in priced store accounts with the amounts recovered as shewn in cash compilations. This will save 13 accountants and clerks.
- (v) The abolition of Repair Allotment and Equipment Allowance schemes will save 11 accountants and clerks.

(vi) The amalgamation of the offices of the Controllers of Military Pension Accounts, Lahore and Mhow with that of the Controller of Military Accounts, Lahore District will save :—

1 Superior Service officer.

1 Gazetted Officer of the Subordinate Service.

12 Accountants and clerks.

As regards (vi) we understand it is proposed to convert Lahore District into the status of a Command Controller's office as regards pay. This means an addition on the average pay of a Class I officer of 550 rupees a month and on the maximum of Rs. 450. The reduction in the status of the Command Controller, Quetta, to that of a Class I officer which is taking place simultaneously has, in our opinion, to be judged on its merits. As will be seen from the figures given previously the Quetta Command Controller has under him 3 Class II officers and 9 gazetted officers, 35 accountants and 312 clerks, and we consider the charge is not too heavy for a Class I officer. As regards the Lahore office, the addition of the two pension accounts offices involves an addition of responsibility but we think this would be adequately met by extra pay of 200 rupees a month in addition to the ordinary pay of a Class I officer, and should not carry with it the status of a Command Controller.

Subject to the qualification in regard to number (vi) and to the condition regarding Superior Service officers referred to later in paragraph 7 we accept the Military Accountant General's proposals.

5. We have also had before us the following proposals for economies which the Military Accountant General recommends :

(i) The dispensing with the reconciliation of the amount paid for stores purchased as shown in the cash compilation with the value of the stores taken on charge as shown in the priced store accounts. This would save 12 accountants and clerks, but has not been concurred in as yet by the Auditor General. We recommend that this proposal should be adopted.

(ii) The abolition of the present scale of audit of Army staffs and establishments and the substitution, in lieu, of a check of figures furnished by the administrative authorities against sanctioned strengths.

This proposal would save—

10 accountants and clerks.

We do not recommend this proposal.

(iii) The grant of authority to Controllers to curtail audit check in unit sections of their main offices. This would result in a saving of—

42 accountants and clerks.

We recommend that this should be tried in selected offices and a final decision taken with the concurrence of the Auditor General.

- (iv) The grant of authority to Controllers to curtail audit check in the Miscellaneous and Establishment Sections of their main offices. As the majority of the accounts are not prepared by the Military Accounts Department personnel the curtailment of this audit check would involve an element of risk. The Military Accountant General recommends that experiments in this direction should be carried out before a decision is reached. The proposal if adopted in full would save :—

22 accountants and clerks.

We agree that experiments on a small scale might be carried out, if the Auditor General agrees, and recommend that a decision should be taken as the result of the experiments in consultation with the Auditor General.

- (v) The grant of authority to Controllers to curtail audit check of store accounts of combatant units that are audited locally.

We are informed that the curtailment would involve some risk as the store accounts concerned are not prepared by the Military Accounts Department personnel and the Military Accountant General considers that experiments should be carried out in the direction proposed before a decision is reached. The full proposal would result in a saving of :—

20 accountants and clerks.

We agree that experiments on a small scale should be carried out, if the Auditor General agrees, and recommend that a decision should be taken as a result of the experiments in consultation with the Auditor General.

- (vi) A reduction in the number of gazetted officers of the Subordinate Service. The Military Accountant General is experimenting with a view to dispensing with certain of these officers, saving 7 gazetted officers of the Subordinate Service.

We recommend this reduction.

- (vii) Reduction of leave reserve authorized for officers of the Superior Service. At present a leave reserve of 25 % of the 44 duty officers is authorised. In view of the Indianization of the department the Military Accountant General considers the leave reserve could be reduced by 2 Superior Service officers.

We recommend that the leave reserve be reduced by 6 from 11 to 5. The balance of the leave reserve of 9 now recommended by the Military Accountant General should be held in the rank below, viz., gazetted officers of the Subordinate Service who, when acting for Superior Service officers on leave, should receive their ordinary pay *plus* 10 % within the limit of the minimum of the grade in which they are acting. We may add that we had the advantage of reading the report of the Sub-Committee which dealt with Civil Accounts Offices and we agree with the observations in paragraph 67 of their report.

- (viii) The abolition of priced store accounts in arsenals and ordnance, clothing and supply depots. At present in these establishments, in addition to the various quantitative ledger accounts of stores kept by the administrative departments, a complete duplicate account, fully priced, is kept by the Military Accountant General's Department. The summary of these accounts appears as the Stock Account of the Army in Appendix E of the Appropriation Account. It has been suggested to us that the retention of this priced account is now unnecessary. Its uses are for financial control and for the information it gives to the public, but it has been represented to us that financial control can now be adequately maintained by a much less elaborate system of the pricing of annual balances of selected items and that the information so obtained would probably meet all reasonable public requirements. It has further been pointed out that in the United Kingdom as the result of a specially appointed committee, of which the president and a member were members of the Public Accounts Committee, even a complete annual valuation of Army stocks (a considerably less elaborate process than a priced store account) was decided to be unjustifiable in view of the cost involved, and following on the recommendation of that committee information is only given in the British Army Appropriation Account of the value of certain items. The saving on the abolition of these priced store accounts, after making allowance for the necessary audit of the administrative store accounts, is estimated at 230 clerks.

While we are inclined to think that the present system is too detailed, with the exception of one we consider the matter requires further examination and discussion with the Accounts officers and therefore make no recommendation at present.

With the exception of one of us, our acceptance of the recommendations proposed by the Military Accountant General referred to above is conditional upon a reduction also in the superior staff, both officers of the Superior Service and gazetted officers of the Subordinate Service. In addition to the 3 officers covered by the Military Accountant General's proposals and in addition to the additional reduction of the leave reserve we have proposed, there should be a further reduction of 2 Superior Service officers and of 5 gazetted officers of the Subordinate Service. In the case of the Royal Indian Marine, our view is that it is not necessary to keep an officer of the Superior Service grade and, if amalgamation with Poona is not possible, a gazetted officer of the Subordinate Service should be sufficient.

5. We have also had before us certain possibilities of reductions which are not recommended by the Military Accountant General either because of the risk or because of the loss of efficiency which they involve. We make no recommendation in regard to these possibilities but we may consider again

the necessity for two accountants in British units when we have had an opportunity of examining the system further.

6. We have considered the possibility of economies by the amalgamation of certain offices :—

- (i) We recommend the amalgamation of the Madras office with the Poona office unless, for reasons which are not at present before us, it should prove impracticable.
- (ii) We recommend that the possibility of distributing the work of the Presidency and Assam office among other offices should be seriously examined.
- (iii) We recommend the amalgamation of the R. I. M. office, Bombay, with Poona.
- (iv) We propose to consider further the possibility of reducing by amalgamation the Command offices when we consider the Staffs of Commands.

7. In the course of our discussions it has been suggested to us that the Department would be strengthened by the introduction into the gazetted officer-grade of some young directly appointed officers with high educational qualification. We recommend that a percentage of appointments to this grade should be filled by competitive examination on the lines of other competitive examinations or, in the view of some of us, by selection and the balance as now by promotion.

8. We have considered the possibility of economy by reductions in pay allowances, etc.—

- (i) So far as pay is concerned, our recommendations are contained in the general recommendations at the end of this report.
- (ii) We have been struck by the large number of cases in which duty allowance and local and compensatory allowances are granted. We consider that in principle these allowances are generally speaking open to objection and we recommend that they should be reduced to a minimum and reviewed in the light of the fall in prices.

We shall refer to the question of Lee concessions in our later report.

9. We have had brought to our notice the possibility of economy by some simplification of factory accounts. We think that this question should be examined by some expert with practical experience of factory management and accounts assisted by departmental representatives. A start should be made in Calcutta, the expert being obtained locally, if possible, and any improvement decided on in regard to those factories could then be adapted to the other factories.

10. Two other questions which have come to our notice,—the possibility of securing economies in the accounts for the Military Engineer Services and by means of simplification of regulations and procedure notably in those services—we propose to consider further and to deal with when we consider in greater detail the Military Engineer Services.

SUMMARY OF RECOMMENDATIONS.
Military Accounts Department.

Recommendation.	Initial saving.	Recurring saving.	Saving in 1932-33.
1. By various adjustments of work, by introduction of machines, by reason of closing of Factory and Arsenal at Madras, the Military Accountant General has been able to reduce his establishment by 1 gazetted officer and 61 accountants and clerks	1,13,500	1,13,500
2. On the new system of pension audit being got into working order reduction of 52 accountants and clerks	90,000	90,000
3. On completion of extra work in Burma saving of 14 accountants and clerks	24,000	..
4. Dispensing with reconciliation of amounts due on account of payment issues as shown in priced store accounts with the amounts recovered as shown in cash compilations, saving 13 accountants and clerks.	22,500	22,500
5. Saving resultant on abolition of repair allotment scheme 11 accountants and clerks	19,000	19,000
6. Amalgamation of offices of Controllers of Pension Accounts, Lahore and Mhow and of Controller of Military Accounts, Lahore District, the Controller of the enlarged office to be a 1st Class officer <i>plus</i> Rs. 200 a month. Saving 1 Superior Service officer, 1 gazetted officer, 12 accountants and clerks..	42,000	42,000
7. The Command office at Quetta to be reduced to a 1st Class officer's appointment		
8. Dispensing with reconciliation of amounts paid for stores purchased as shown in the cash compilation with value of stores taken on charge in priced store account. Saving 12 accountants and clerks	20,000	20,000
9. A trial to be made of the proposal to curtail audit check in Unit sections of main offices. Saving ultimately 42 accountants and clerks (if scheme is adopted)..	(Ultimately) 72,500	..
10. If Auditor General agrees, a trial on small scale to be made of proposal to curtail audit in the Miscellaneous and Establishment sections of main offices. Saving ultimately 22 accountants and clerks (if scheme is adopted)	(Ultimately) 38,000	..

Recommendation.	Initial saving.	Recurring saving.	Saving in 1932-33.
11. If Auditor General agrees, a trial to be made on a small scale of proposal to curtail audit check of store accounts. The full proposal would result in a saving of 20 accountants and clerks	(Ultimately) 34,500	..
12. Reduction of gazetted officers of the Subordinate Service, by authorizing superintendents to deal finally with matters of less importance of a routine nature	57,000	..
13. *Reduction of leave reserve of Superior Service officers from 11 to 5: the balance, if necessary, being made up by a "leave reserve" in subordinate gazetted officers, who would act when a Superior Service officer was on leave and receive pay of their own rank <i>plus</i> 10 % not exceeding the minimum of the grade in which they would be acting. This leave reserve in the lower grade would not exceed 4 in any case, as the leave reserve of 11 can be cut down to 9 owing to Indianization of the department	32,000	32,000
14. *The above reductions should be conditional on reduction of a further 2 Superior Service officers and 5 gazetted officers of Subordinate Service	53,000	53,000
15. Amalgamation of Madras office with Poona
16. Amalgamation of R. I. M. office, Bombay with Poona
17. Introduction of directly recruited university graduates into a proportion of vacancies of gazetted officers of the Subordinate Service ..	No	financial effect.	
18. Duty allowances, local and compensatory allowances are in principle open to objection. They should be reduced to a minimum and reviewed in the light of the fall in prices	1,00,000	..
19. The possibility of economy by simplification of factory accounts should be examined in Calcutta by an outside expert, obtained locally if possible, assisted by departmental representatives
Total	7,18,000	3,92,000

* Majority recommendations with one dissentient.

CHAPTER XI.—CANTONMENTS.

The administration of the 90 cantonments is carried out under the provisions of the Cantonments Act of 1924 by officers of the Cantonments Department who are paid from Army funds. The cost in 1913-14 is shown by the Inchcape Committee to be about Rs. 13 lakhs. The estimate for the current year is Rs. 20,77,000 from which may be deducted receipts of Rs. 4,19,000 on account of military lands, leaving the net expenditure at about Rs. 16½ lakhs.

2. The superior establishment of the Department is stated to be as follows :—

- 1 Director, Military Lands and Cantonments.
- 4 Inspecting Officers.
- 3 Assistant Inspecting Officers.
- 34 Executive Officers with King's Commissions.
- 7 Executive Officers holding Viceroy's Commissions.
- 11 Military Estates Officers.

3. The inspecting officers are advisers to the military authorities of the Commands on all matters connected with the administration of cantonments and military lands. We are informed that, as inspecting officers, they have to be away from headquarters for about 15 days a month and that it is necessary in three Commands to have Assistant Inspecting officers.

We are not convinced of the justification at the present time for 8 administrative officers for Headquarters and Commands and we recommend that the inspecting staff should be reduced to four, of whom two should be of the assistant grade. The saving would be about Rs. 65,000 a year.

4. As regards the executive officers with King's Commissions, we consider that the cost of the service is excessive for the class of work performed which appears to us to be much of the same nature as that performed in the civil administration of India by officers of the Deputy Collector's grade who draw approximately Rs. 250—850 a month. The present Viceroy's commissioned officers in the department get Rs. 400—20—500 and we consider that this class should be more extensively employed and also that civil officers of the Deputy Collector's grade should be recruited in future vacancies on a basis of 50 per cent. from each class. If all the 34 executive appointments now held by officers with King's Commissions were so filled, the ultimate saving in pay and allowances would be at least Rs. 2,25,000.

5. Military Estates officers are employed for the management of military lands both inside and outside cantonments in the best interests of the State. We were informed that since this system was adopted, the recoveries from lands in the form of rents have increased from Rs. 5,254 in 1924-25 to Rs. 4,19,000 at the present time. With the completion of the land registers the staff will be capable of reduction and we understand that some reduction will be possible next year and that further increases in revenue may be expected. The present cost of Rs. 3,67,000 for this establishment is a heavy charge for the administration and collection of Rs. 4 lakhs of revenue and we recommend

that a reduction be made at an early date by at least one lakh of rupees. This should be effected in part by the employment of civil officers of the class to which we have referred above who are skilled in land administration. We are unable to understand why officers of military rank on high rates of pay are deemed to be necessary for the duties which this land establishment performs.

6. We have been informed that about Rs. 10 lakhs a year are lost through the absence of proper metering of the water supply in cantonments and that to secure effective control an outlay of some Rs. 30 lakhs would be necessary for the supply of meters. We consider that a programme should be drawn up to spread the outlay over a number of years and that this expenditure is of a nature which could justifiably be charged to loan funds.

7. In 1930-31 grants-in-aid were paid to certain cantonments to the extent of over Rs. 2 lakhs and the current year's estimates also provide for a like sum. Up to the present date about Rs. 70,000 have been sanctioned for 17 cantonments. The policy, we understand, is that cantonments which cannot maintain a suitable standard of municipal administration on the income derived from local sources are assisted by grants-in-aid. We recommend that the position be reviewed and that the expenditure on this head be reduced either by lowering the cost and standard of administration, which we hold to be very high generally in cantonments, or by increasing local resources and that a saving of at least one lakh of rupees be effected next year.

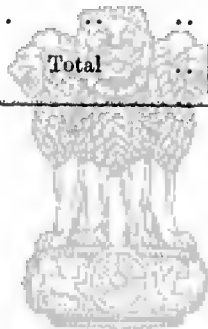


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CANTONMENTS.

Summary of Recommendations.

Recommendations.	Initial saving.	Recurring saving.	Saving in 1932-33.
	Rs.	Rs.	Rs.
(1) Reduction of three inspecting officers	65,000	65,000
(2) Gradual substitution of Indian officers for executive officers with King's Commissions	2,25,000	..
(3) Reduction of military estates expenditure	1,00,000	1,00,000
(4) Reduction of present loss in water supply (no estimate available)
(5) Reduction of grants-in-aid	1,00,000	1,00,000
Total	4.90,000	2,65,000



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CHAPTER XII.—MISCELLANEOUS SERVICES UNDER THE ADJUTANT GENERAL.

Rest camps.—Rest camps are maintained to accommodate troops and their families at rail head on their way to hill and frontier stations. We are informed that some of them, e.g., Kalka and Rawalpindi, are kept open in the summer only; others e.g., Bannu, are kept open all the year round. We are also informed that two emergency camps at Deolali and Karachi are being abolished. The staff on page 166 of the Army Budget is shown as costing over Rs. 29,000, and as consisting, in addition to three British other ranks and three Indian officers and other ranks, of 70 followers. We think this number of followers is high and should be reviewed.

Move to Hill Stations.—We have been informed that British troops have been stationed to a certain extent in hill stations with their families during the hot weather for very many years, but that in 1924 owing to the large number of admissions to hospital on account of malaria, it was decided to introduce the policy of utilizing to its maximum extent all available accommodation in the hills during the most dangerous malarial months, i.e., August, September and October. That policy has been increasingly applied. We understand that now it is the aim to send practically all men of units stationed in certain stations in the plains to the hills for part of the hot weather. The policy of these moves involves expenditure on staff, transportation, conservancy, water supply and rent of accommodation. Hospitals and schools are opened and dairy farms are transferred from the plains to supply milk to the troops. We have been informed that the cost of staff, etc. (as shown on page 162 of the Army Budget), together with the cost of transportation, conservancy, water supply and rent of buildings comes to over Rs. 10,80,000 a year. We understand that, so far as the troops and their families are concerned, the annual move to the hills is not entirely popular. While we appreciate the value for reasons of health of this move and have not overlooked the medical statistics furnished to us in this connection, we consider that, having regard to financial and other conditions, considerable reduction should be made in the scope and cost of the present policy.

We accordingly recommend that the cost, as given above, should be reduced to a total of Rs. 5 lakhs a year: that within that cost moves should be granted to cases sent on medical certificate, young soldiers under 21 years of age in their first year's service and families with young children (if accommodation is available). After provision has been made for these categories we recommend that cases should be sent at the discretion of the local military authorities subject to a limit of cost of Rs. 2 lakhs and to the general overriding limit of Rs. 5 lakhs. The practice of hiring accommodation should cease.

Followers.—The number of followers is over 38,000. Approximately half are Class I followers who receive uniform, pay and rations or an allowance, qualify for pension and are liable to serve anywhere. Class II followers are locally engaged at market rates and do not move with their own units from station to station. Followers are engaged on duties as cooks, kotwals, saddlers and shoemakers, tailors, water carriers, syces, blacksmiths etc. The numbers

employed are large, and the aggregate cost must be heavy. To reduce that cost we make the following recommendations :—

- (a) In all cases where it is possible, *e.g.*, carpenters, tailors, etc., followers should remain at one station and not move with units. (We understand that this proposal will involve a change in the present procedure of enlistment).
- (b) As regards tailors and bootmakers, we understand that at present these are provided for units, in some cases as combatants, in some cases as followers. So far as bootmakers are concerned, there can be little work in peace that is chargeable to the public: most of it is repair work for the men, for which they should pay out of their clothing allowance: so far as tailors are concerned, some of the work is chargeable to the public, *e.g.*, repair of great-coats, while some is chargeable to the men, *e.g.*, repair of personal clothing. The cost of the work chargeable to the men should under regulation be credited to the public.

In the course of our enquiry we found reason to believe (though the facts are somewhat obscure) that it is doubtful whether full credit is in fact being given to the public. We recommend that steps should be taken to ensure that this is done. If the amount recovered from the men is not commensurate with the cost of the tailors and shoe makers (allowing for work properly chargeable to the public) it would be for consideration whether provision for them on the establishment would be justifiable, or whether the men should not make their own arrangements with outside contractors.

- (c) *Blacksmiths*.—The officiating Adjutant General in the course of discussion undertook to examine the number of blacksmiths and we reserve consideration of this question.
- (d) *Water carriers*.—We were informed that, as water is now laid on in most stations, a lesser number of water carriers is necessary in peace than formerly: but that in mobile units the number of water carriers maintained depends largely on the number required for mobilization requirements or internal security purposes. We recommend that the number of water carriers so maintained should be revised and reduced, and that, so far as possible, mobilization requirements should be met by engagements at the time. In so far as these requirements must be provided for in advance, and in so far as the number of carriers required in peace at stations where water is not laid or does not meet those requirements, we recommend that recourse should be had to reservists or to a pool maintained for immediate mobilization needs.

Miscellaneous donations and grants-in-aid to institutions.—An item of Rs. 63,000 is included on page 166 of the Army Budget for this purpose. We recommend that during the present financial stringency grants-in-aid should

not be given, except in special circumstances to institutions having a definite present military value.

Recruiting Staff.—The staff consists of 9 recruiting officers and 13 assistant recruiting officers (unseconded), with 3 assistant recruiting officers for certain months in the year. There are 157 Indian permanent recruiters and a clerical staff of 42 Indian ranks. The provision for this establishment (apart from the unseconded officers) is given on page 160 of the Army Budget, approximately, as Rs. 3,39,000. The cost under this head has increased from Rs. 3,06,000 in 1922-23 to the present figure, an increase due mainly to the appointment of lieutenant-colonels as recruiting officers. With one exception, we recommend, in order to reduce the cost, that the staff should in future consist of three British officers (one major and two captains) and six Indian officers with Viceroy's Commissions. It has been suggested that Indian Viceroy's Commissioned officers would not be altogether suitable for much of the administrative work involved: but we suggest that this difficulty might be overcome by a revision of the areas, and by the British officers supervising and assisting the Viceroy's Commissioned officers.

Vocational Training.—Provision is made on page 166 of the Army Budget of Rs. 43,600 for the pay and allowances of the two officers in Commands and their staff who assist Commands in the organisation and administration of vocational training. The majority of us recommend on the same general grounds as those we have mentioned in connection with Educational Training that vocational training should not be provided at the expense of Indian funds, and we recommend that no provision for this staff should be included in the budget.

Reserve of officers.—The total establishment is 1,850 of various categories and the actual strength is 1,663. Officers on the reserve receive a retaining fee of Rs. 200 a year. They receive an initial outfit allowance of Rs. 400. They are called up for training annually or biennially, which involves considerable expenditure on pay and travelling. We think that savings should be made in the cost of this reserve and that, in present circumstances, the numbers should be reduced. We recommend that a reduction of 50 per cent. should be made in the numbers of this reserve and that it should be confined to those with technical qualifications—mechanical engineers, doctors, veterinary surgeons—and, in the fighting arms, to those who have served with regular fighting units and have the necessary military qualifications. For remounts we recommend that the reserve be limited to those who have served with the remount department and are required immediately on the outbreak of war. For recruiting, animal transport, supply and miscellaneous duties we recommend that no paid reserve should be retained. If necessary we suggest that a register of names should be kept of those willing to take commissions on mobilization. There should be a saving under our recommendations of at least Rs. 3 lakhs a year.

Reservists.—These number over 35,000 belonging to fighting units, (apart from some 10,000 in other units), and consist of Class A reservists—those who have recently left the colours and who are required to complete units on mobilization—and Class B reservists—those who have left the colours less recently and are required to replace wastage on mobilization. The former receive a retaining fee of Rs. 7 a month and are trained annually for one month when they receive

full pay and travelling allowances : the latter receive a retaining fee of Rs. 4 a month and are trained biennially. In the present financial stringency we would ask the military authorities to consider whether the training of Class A reservists might not be biennial and the training of Class B reservists suspended.

Miscellaneous Allowances.—These consist of a large number of allowances which, as indicated on page 30 of the Army Budget, amount to the large total of 21½ lakhs. They include such varied items as band allowance, mess allowance, charpoy allowance, weapon allowance, fuel allowance for carriage work in R. A. units. It has been impossible for us to examine each allowance in detail and we recommend that they should be individually reviewed in the light of present financial circumstances and the fall in prices and a reduction in the total of 10 per cent. (Rs. 2 lakhs) effected.

ADJUTANT GENERAL.—*Miscellaneous Services.*

Recommendations.	Initial saving.	Recurring saving.	Saving in 1932-33.
	Rs.	Rs.	Rs.
1. Rest camps. Emergency Rest Camps at Deolali and Karachi should be abolished, as proposed by the Quarter-Master General. The establishment at the other camps should be reviewed with a view to reduction	11,500	11,500
2. Hill depots. Moves to the hill stations should be confined to a cost of 5 lakhs covering establishment charges, transportation, conservancy and water supply. Within that cost moves should be confined to cases of medical certificate, young soldiers under 21 in their first year's service, families with young children (if accommodation is available). After provision has been made for these categories, subject to a limit of Rs. 2 lakhs and within the general limit of Rs. 5 lakhs, cases may be sent at the discretion of the local military authorities	5,80,000	5,80,000
3. So far as possible, e.g., in the case of carpenters, tailors, blacksmiths, etc., followers should remain at their own station when units change over	No estimate yet possible.	..
4. Bootmakers and tailors should only be provided on the establishment of units provided that the full cost is recovered by means of charges for repairs, etc., executed for the men, less any cost of work carried out for the State	1,00,000	1,00,000

Recommendations.	Initial saving.	Recurring saving.	Saving in 1932-33.
	Rs.	Rs.	Rs.
5. The number of water carriers should be reduced having regard to the stations at which water is laid on. If the numbers necessary for troops at other stations are not sufficient for mobilization requirements the balance should be met by a pool or reserve	No estimate yet possible.	.
6. Grants-in-aid to institutions and charitable allowances. These should cease under present circumstances unless the institutions concerned have a definite present military value	30,000	30,000
*7. The present recruiting staff should be reduced from 9 British recruiting officers to 3 British officers and 6 Viceroy's Commissioned officers	20,000	..
*8. Vocational training. This should be discontinued	43,000	43,000
9. Reserve of officers. The total should be reduced by 50 per cent; It should be confined to those with technical qualifications (doctors, mechanical engineers, veterinary surgeons) or in the case of fighting services to those with military qualifications who have served with regular forces	3,00,000	3,00,000
10 Reservists. It should be considered whether during the present financial stringency Class A reservists should be trained only every other year and the training for Class B should be suspended
11. The various miscellaneous allowances should be examined in detail having regard to fall in prices and financial stringency and a 10 per cent. cut should be made	2,00,000	2,00,000
Total	12,84,500	12,64,500

* Majority recommendations.

CHAPTER XIII.—KIT AND CLOTHING ALLOWANCE.

The kit of the soldier is divided into three classes—

- (i) Personal clothing such as boots, jackets, trousers or shorts.
- (ii) Public clothing such as greatcoats.
- (iii) Necessaries such as underclothing and toilet materials.

A complete kit is supplied to each soldier on enlistment. Public clothing is replaced when unserviceable through wear and tear. Articles of personal clothing and necessaries are maintained by the soldier out of a money allowance credited to his account for the purpose.

From this allowance also he pays for such services as the washing of clothes, hair cutting, etc.

It is the essence of the scheme, which has for its object the encouragement of careful treatment of clothing and uniform, that the careful soldier should be able to meet these expenses and have a moderate margin in hand.

For the replacement of his personal clothing and necessaries the soldier is expected to purchase from Ordnance Stores, by which articles of standard patterns are supplied, and the money allowance which the soldier receives is fixed in relation to the prices charged for articles issued from Ordnance Stores.

The total amount included in the Army Estimates for 1931-32 on account of kit and clothing allowance is approximately Rs. one crore, 21 lakhs, and for 1930-31 was approximately Rs. one crore, 20 lakhs. The amount received on account of sales of clothing and necessaries from Ordnance Stores during 1930-31 was Rs. 45 lakhs.

It will be seen from these figures that nearly two-thirds of the allowance is not spent in purchases from Ordnance Stores. This does not mean that the whole of the balance remains with the soldier as profit. Against that balance must be charged repairs, washing of clothing, and hair cutting, and we are also informed that, despite the general rule to the contrary, purchases are undoubtedly made from outside sources instead of from Ordnance Stores. But allowing for this, it would seem as though there were room for economy in the allowance. A few years ago, we are informed, the kit and clothing allowance of the Indian soldier was reduced by 15% but the same cut was not applied in the case of the kit and clothing allowance of the British soldier. We recommend that this cut should now be made. We feel that there is the more justification for this because the portion of the allowance attributable to the upkeep of necessaries is, we understand, based on the rates in England and not on the present prices of the articles in India, making a difference of some 7 rupees a year in the soldier's favour, while the portion designed to meet the expenses of hair cutting and washing of clothing is also not based on Indian prices. The saving by a 15% cut on the rates of British soldiers' kit and clothing allowance would be approximately 9,00,000 rupees.

In the case of Indian troops, we think that there is a case for the reduction of the mufti allowance given in respect of each recruit.

This allowance, designed to provide 2 coats, 2 pyjamas, 2 pagris and 1 pair of shoes, was introduced in 1921 when the rate was fixed at 22 rupees. In 1923 the rate was reduced to 20 rupees but it has not since been revised. In view of the fall in prices, we recommend a reduction to 18 rupees, saving approximately some 40,000 rupees a year.

The amount of the allowance, so far as the replacement of articles is concerned, naturally depends partly on the life assigned to the various articles. We recommend that those lives should be carefully reviewed in the case of both British and Indian troops : (we deal specifically with the lives of certain articles later in this section). That there are grounds for doing so, there is some evidence in the statistics regarding the issues of boots. The life assigned to a pair of boots is a year, and, allowing for recruits who receive a free issue in their first year, issues on payment might have been expected to total over 180,000 pairs a year : but we are informed that such issues averaged only 49,000 over a period of three years. Even taking into account the probability that many purchases are not made from Ordnance Stores, there still seems a discrepancy which suggests that the life of the boot has been underestimated.

Apart from the amount of the allowance fixed in relation to the articles which are at present required to be maintained, we have considered the possibility of economy by alterations of the scale of articles, or by transferring certain articles from the scale of personal to that of public clothing. We have not of course been able to make a detailed or exhaustive examination but the following points have suggested themselves to us.

In the scale for British troops we recommend that gloves and cap comforters should be removed from the scale : and that for cold stations and in the cold season, they should be issued as public clothing. We estimate a saving of some 50,000 rupees a year.

In the scale for Indian soldiers we recommend the substitution of one pair of chaplis for one pair of boots (leaving one pair of boots in the scale), and we estimate the normal annual saving as some 10,00,000 rupees.

In the scale of clothing for Class I followers we recommend the substitution of chaplis for boots, saving in the normal some 60,000 rupees annually, the issue of socks only at cold stations and the reduction of the scale of issue to one pair, saving in the normal some 15,000 rupees annually and the substitution of a *mirzai* lined with cotton for the jersey pullover at present issued. (We have not been able to estimate the saving of this last recommendation). We realize that if the substitution of chaplis for boots is accepted, it may be necessary to delay the introduction of the scheme until present stocks are exhausted.

As regards the transfer of articles from the category of personal to that of public clothing, there are two articles, blankets and durries, in which we think that this might advantageously be done. At present these articles are issued as personal to the soldier and become his property : and an annual allowance, based, in the case of blankets, on a five year life and, in the case of durries, on a six year life, is issued. If these articles become " public ", fresh issues would only be made when a blanket was worn out (though for purposes of control no

doubt a normal life would be assessed) and in any case the residual value would accrue to the State. That there is at present a loss in this respect may be illustrated by what we understand is the position in regard to the Royal Air Force. An airman, it is understood, remains at present only about some 3 years in India, and receives on arrival 3 blankets as his personal property calculated to last 5 years. We are aware that the present system was introduced as being more economical than the system of "public" issues, but we are disposed to think that the balance of advantage lies the other way. In any case we recommend that the life of both durries and blankets should be extended to 7 years from 6 and 5 years respectively. We also recommend, as regards the scale of issue of blankets, that this should be reduced from 3 to 2, the military authorities retaining discretionary powers to issue the additional blanket for certain seasons of the year and certain stations. We estimate the normal saving involved in the extension of the life of durries and blankets and the reduction in the scale of issue of blankets as approximately 2,00,000 rupees.

As regards public clothing the most important item is greatcoats. There is one pattern for British troops and one for Indian troops, the difference lying mainly in the material. Greatcoats are replaced at public cost when worn out by fair wear and tear, the life we understand assigned to the British greatcoat being 8 years and to the Indian 5. There is no difference in the pattern at present in use in hot and cold stations, but experiments, we have been informed, are at present taking place with a view to finding a lighter pattern in certain stations. In the case of Indian troops a scheme on profit sharing lines has been in force for the last two years with a view to prolonging the life of the greatcoat: units are given half the cash saving represented by the value of the difference between the number of greatcoats condemned and the normal based on a 5 year life. It is stated that the number of condemnations of greatcoats and coats warm has dropped under the scheme from 36,702 and 5,188 respectively in 1927-28, and 26,911 and 5,413 in 1928-29, to 23,668 and 4,928 in 1929-30 and 23,448 and 4,967 in 1930-31.

As regards the profit sharing scheme, we recommend that this should be carefully watched with a view to ensuring that direct financial saving does in fact accrue to the State. In particular we recommend that consideration be given to the question whether the present system of assigning a life for the purpose of the scheme, based on the average over all India, is fair to the State: or whether it does not result in excess profits being made by units stationed in hot stations. In any case we recommend that the life of the greatcoat for the purpose of the scheme be extended to 7 years (estimated normal saving 1,50,000 rupees). We also recommend that, unless costs of administration make the proposal uneconomical, a lighter pattern of greatcoat should be introduced for use in hot stations, and also that the British pattern greatcoat should be withdrawn from British troops on arrival in India, the Indian pattern being issued in its place and the British coats being sent back with departing troops.

SUMMARY OF RECOMMENDATIONS.

Kit and Clothing Allowance.

Recommendations.	Initial saving.	Recurring saving.	Saving in 1932-33.
1. Reduction of the kit and clothing allowance of British troops by 15%	9,00,000	9,00,000
2. Reduction of Mufti allowance to Indian recruits from 20 rupees to 18 rupees	40,000	40,000
3. Review of life assigned to various articles
4. Removal of gloves and cap comforters from scale of issue for British troops: except for issue as public clothing at cold stations and in cold seasons	50,000	..
5. Substitution of one pair of chaplis for one pair of boots for Indian soldiers..	10,00,000	5,00,000
6. Substitution of one pair of chaplis for the pair of boots issued to followers..	60,000	..
7. In view of the recommendation to substitute chaplis for boots for followers, issue socks only at cold stations and reduce the scale to 1 pair	15,000	..
8. Consider substituting a <i>mirzai</i> lined with cotton for the jersey pullover issued to followers
9. Conversion of blankets and durries from personal to public clothing and extension of the life from 5 and 6 years respectively to 7	50,000	..
10. Reduction of issue of blankets from 3 to 2, except at cold stations and in cold climates where additional issue should be at the discretion of the local Commander	1,50,000	1,50,000
11. Extension of the life of the greatcoat under the greatcoat scheme from 5 to 7 years and watching the financial effect of the scheme	1,50,000	..
12. Unless cost of administration makes it uneconomical a lighter pattern greatcoat should be introduced for wear at hot stations
13. Provide British troops on arrival in this country with Indian pattern greatcoats, returning those brought here with returning troops
Total	24,15,000	15,90,000

CHAPTER XIV.—ARMY ORDNANCE FACTORIES.

As already stated, we have paid visits to the Rifle and Metal and Steel Factories at Ishapore, the Gun and Shell Factory at Cossipore and the Harness and Saddle Factory at Cawnpore and some of us also visited the Clothing Factory at Shahjahanpur. We have taken a considerable amount of evidence and collected much information on the administrative and financial systems of these factories. Our terms of reference invite us to express our opinion on the working of each individual factory and we propose, when we resume our enquiry, to carry our investigation further and also, if possible, to visit the remaining factories.

2. When we were in Calcutta, we were informed that the personnel employed in the ordnance factories during peace and the estimated war establishment respectively were as follows :—

—		Gazetted officers other than Superintendents.	Permanent non-gazetted staff.	Permanent clerical staff.	Temporary staff.	Labour force.
Peace	..	42	393	361	1,760	18,000
War	..	48	712	361	2,500	40,000

3. As stated above, we have reserved the questions relating to the Ordnance Department and factories for further and later examination, but on the strength of our inspection of the factories mentioned above and on the information we gathered there. Mr. Benthall, one of our Committee, has left a note, recording his general impressions. We have carefully considered the note and we may say that we are in general agreement with most of his observations; but we do not propose to make any definite recommendations at this stage on the broad questions of policy, the accounting system, or the future of the factories, especially as we have not yet had the advantage of discussing the matter with the Master General of Ordnance and have not, as indicated above, yet visited all the factories. We consider, however, that having regard to the present activities of the factories, some reductions can be made, especially in the inspecting and supervising establishments from officers downwards and also in the general inspection of ordnance stores. Having regard to the present financial position and the desirability of reducing expenditure as early as possible, it is necessary that we should make some definite recommendation pending the fuller examination of the question which we hope to undertake. We therefore recommend that a 25 per cent. cut should be made in the numbers of superior and supervising staff. We understand that the total cost of this staff is over Rs. 20 lakhs of rupees, and consider that this should be reduced by at least Rs. 4 lakhs, as soon as possible. As regards the rest of the staff, we recommend that all possible reductions should be made but the details we would leave to the discretion of the Factory Superintendents under the orders of the Master General of Ordnance.

CHAPTER XV.--MILITARY FARMS.

1. *Grass Farms*.—There are at present 43 grass farms in 9 administrative circles under the control of the Director of Farms. The policy is to provide fodder for all Government animals, to maintain baled fodder for war reserves and to accumulate in good years, when fodder is cheap and abundant, a reserve for bad years.

2. The expenditure has increased as follows:—

1913-14.	1931-32.
43,74,000	66,60,000

Estimated receipts for the current year amount to Rs. 4,10,000.

The establishments for the three years are as follows:—

	1914.	1922.	1931-32.
Officers	14	18	15
British Managers	45	60	49
Students	5	3	5
Indian Overseers	71	134	90
Clerks, etc.	82	124	123

Since 1914 additional responsibilities have been undertaken; owing to the abolition of the Silladar system, supplies of fodder are now made to all Indian Cavalry units, and supply to Sind, Baluchistan and other frontier areas has been undertaken. On the other hand, mechanisation has reduced materially the number of animals supplied. In 1929-30 the quantity of fodder dealt with was 192,000 tons of which 88,000 tons were produced on the farms at a cost of Rs. 28·7 per ton and 104,000 tons were purchased at a cost of Rs. 40·3 per ton.

3. We are informed that it has been decided to delegate the control of Grass Farms to Commands in 1932 and that this will involve a reduction of 3 officers, 7 clerks and some menials with a saving of Rs. 75,000 per annum. We agree to this proposal. We note, however, that after this reduction there will remain a leave reserve of two officers. We see no justification for such a reserve when leave vacancies could be filled by experienced senior managers and we, therefore, recommend the abolition of these two leave reserve appointments. The necessity for 90 Indian overseers should also be examined.

4. It is understood that the training of British students will be discontinued. Though a policy of Indianisation has been accepted, progress has been very slow and we recommend that a more rapid advance be made in this direction by appointing Indian managers to several vacancies which will shortly arise. As the pay of British managers varies from Rs. 590 to Rs. 1,070 and, as in the case of Dairy Farms, Indian managers could be paid Rs. 200—500 a month, a substantial saving would be effected by employing Indian managers only in the future. It is stated that as Grass Farms are part of the military machine and deal directly with units, it is necessary that the staff should bear military rank. All but one of us are unable to accept this view and consider that this department is essentially one of those in which civilian officers should be maintained.

5. As regards reserves, we understand that stocks are maintained as follows :—

	Tons.
Ordinary	70,000
Farm reserves	60,000
Mobilization reserves	12,400

As a result of suggestions made by us during discussion, a further reduction of farm reserves by 20,000 tons will be made, saving Rs. 5,50,000.

6. The trading accounts of grass farms for 1929-30 indicate a net loss of about Rs. 24,000 due to the price charged for issues on payment of about 2,000 tons of fodder. The price is based on an average of quantities and prices of fodder produced and purchased respectively. As issues on payment may have to be made from purchased fodder which is much dearer than produced fodder, it is evident that the price of payment issues should be revised and we recommend that this be done.

II. *Dairy Farms*.—These farms, which are worked on a commercial basis, are intended to provide a safe and reliable supply of dairy produce to hospitals and, on payment, to officers, troops and their families; and also to messes and other public institutions at rates which, while reasonable, involve no loss to Government. Of the amount of milk produced in 1929-30 (4,647 tons), 23 per cent. went to Government hospitals and institutions and 77 per cent. to other customers. Of the 359 tons of butter, 7 per cent. went to hospitals and 93 per cent. to other customers.

2. The expenditure has varied as follows :—

1913-14.	1931-32.
22,70,000	33,73,000

The staff employed is as follows :—

	1914.	1922.	1931.
Officers	2	6	4
British Managers	39	64	23
Indian Managers .. .. .	..	..	3
Clerks	61	100	88
Indian Overseers and others	24	98	62
Indian apprentices .. .. .	..	..	74

3. In 1914 there were 27 dairies and creameries. Today there are 38 and in addition 6 young stock farms. We understand that, as a result of careful breeding and management, the percentage of cows which gave over 5,000 lbs. of milk per lactation was 47 in 1929-30 as against 1.3 in 1912-13. As a result the number of cows maintained has been reduced from 2,184 to 1,156.

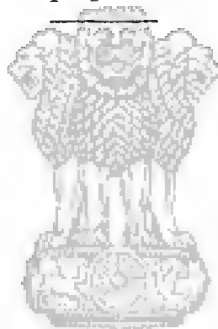
4. We understand that no more British managers will be appointed and the number of Indian managers will be increased as the British incumbents retire. As this policy will effect a considerable saving, we recommend that

it be strictly followed. As regards the control of Dairy Farms we are not satisfied that it could not be combined with that of grass farms under Command control and we consider that this question should be further considered with a view to reduction in the number of controlling officers in the two departments.

5. We were informed that nine farms, mainly in the hills, were run at a loss last year which was stated to be due to abnormal causes. We consider that, wherever any individual dairy is run at a loss, steps should be taken to revise prices or reduce working costs. Further, in the case of supplies to private institutions such as clubs, care should be taken that the prices charged do actually yield a profit.

6. We note that against the expenditure of Rs. 33,73,000 in the current year, the estimated receipts are Rs. 27,10,000. The net expenditure is thus Rs. 6,63,000, but the value of dairy produce issued free to hospitals is estimated at Rs. 8,39,000, which leaves a balance in favour of the Farms of Rs. 1,76,000.

The only further recommendation we have to make is that further outlay on development, buildings, etc., should be postponed till financial conditions improve. The provision for these purposes in the current year is Rs. 1,22,000.



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MILITARY FARMS.

SUMMARY OF RECOMMENDATIONS.

Recommendations.	Initial saving.	Recurring saving.	Savings in 1932-33.
	Rs.	Rs.	Rs.
<i>Grass Farms.</i>			
(1) Delegation of control to Commands .. ..	..	75,000	75,000
(2) Revision of price of grass sold (say) .. ..	..	15,000	15,000
(3) Further reduction in leave reserve .. ..	..	20,000	20,000
(4) Replacement of British by Indian Managers (gradual) .. ..	..	2,00,000	..
(5) Reduction of Reserves of fodder	5,50,000	..	3,00,000
(6) Miscellaneous savings .. ..	..	..	18,000
<i>Dairy Farms.</i>			
(1) Further capital outlay to be suspended	1,22,000	..	1,22,000
Total	6,72,000	3,10,000	5,50,000

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CHAPTER XVI.—ROYAL AIR FORCE.

The expenditure on this force in 1914 was inconsiderable as all that existed was a small flying school for training under Indian conditions. By 1922 the expenditure had risen to one crore, 34 lakhs and at the present day stands at 2 crores 20½ lakhs for 8 squadrons. The establishment maintained at the present day consists of 256 officers, 1,953 British other ranks and 1,279 Indian other ranks, clerks and followers.

2. Though it does not lie within our terms of reference to make recommendations on the strength and organisation of the fighting services, we cannot refrain from commenting at this point upon the heavy expenditure on the defence of the frontier where the Air Force is mainly stationed. In addition to the large force of some 50,000 regular troops in the frontier area, there are maintained large numbers of scouts, levies, frontier constabulary, etc., charged against the civil estimates. The total cost charged to these latter estimates under the head "Frontier Watch and Ward" including expenditure on roads of military importance and buildings for the irregular forces amounts, we are informed, to nearly Rs. one crore, 80 lakhs, for the current year. When the organisation of the Air Force was reviewed in 1922 and the present strength of eight squadrons was recommended, it was considered that this addition of two squadrons to the defence forces ought to lighten the burden on the Army and permit of a reduction in the numbers both of covering troops and the field army. Since 1922, the reductions in British and Indian fighting troops (excluding reservists and followers) amount to about 10,000 and 13,000 men respectively. Altogether since 1914, when the Air Force scarcely existed, the corresponding reductions have amounted to about 16,000 British and 24,000 Indian troops, but the present cost of the Air Force is equivalent to about 8,000 British or 22,500 Indian rifles approximately.

We understand that the triplicate defence organisation on the frontier has been the subject of enquiry in the past and that recently another departmental committee, representing the Army, the Air Force and the Political Department, has reported and, we understand, though we have not seen the report, has made certain recommendations for economy in this heavy expenditure. Though it is not within our terms of reference, we venture to suggest that, if the economies proposed do not go far enough, an entirely independent enquiry, with which some representatives of the legislature should be associated, might be set up in due course.

3. We understand that the force is a growing one, but we presume that while the present financial stringency continues, no further additions will be made. At present the force depends upon the Army organisation for supplies of ordnance equipment, food, petrol, oil, etc., and, to some extent, for medical and educational assistance, though it also maintains a staff of medical and educational officers. We apprehend a tendency to set up separate organisations for the Air Force and we consider that such a tendency should be carefully watched.

4. As regards the medical staff, the estimates contain provision for ten medical officers of the Royal Air Force Medical Service, though all hospital cases are sent to Army hospitals for treatment and their expenses are met

from Royal Air Force funds. We have been informed that these officers are required to live in close touch with flying personnel and to have special expert knowledge of fitness for flying and that it is essential for the morale of the Force that flying officers should have confidence in their own medical advisers. We are informed that this special knowledge can be acquired at a special course in London which lasts six weeks and we consider that it should be possible to train I. M. S. officers in this special course. These officers could then be posted to R. A. F. stations when their services would be available to the Force as well as to the personnel of the Army, thus obviating the necessity for the maintenance of a separate Air Force medical establishment in India. If this recommendation can be accepted, the saving would be nearly one lakh of rupees. For the present, at any rate, we recommend that the two appointments at Headquarters should be abolished, arrangements being made at a convenient station for supervision of the existing medical establishment.

5. As regards education, we are informed that the standard of education required of Air Force personnel is higher than, and of a different character from, that provided in Army institutions. Provision is therefore made for a separate establishment of 7 Air Force Education officers, 6 school mistresses and 7 language teachers, the total cost being about Rs. 1,28,000. One of the officers is stationed at Headquarters and we do not see the necessity for this appointment for the supervision of education in this small Force. We recommend the abolition of this appointment, the general work of supervision being performed by one of the remaining six officers in addition to his own duties. As regards the 6 school-mistress for the education of some 125 children, with one exception, we make the same recommendation as we have made in the case of Army children, that is, that special schools should only be kept up where no facilities exist at civil schools. Where the latter exist, grants should be made for educating airmen's children at such institutions. Where separate schools must be maintained, locally trained teaching staff should be appointed in place of staff recruited from England.

6. We understand that proposals have been approved for the appointment of two inspectors of Air Force explosives and for the upgrading of two appointments in the signal branch of the Force. In view of the necessity for economy, we urge that no effect should be given to these proposals for the present.

7. As regards the staff at Headquarters consisting of 24 officers, we have examined the distribution of duties carefully as we consider that the staff is excessive. There is one officer at Headquarters for every Rs. 10 lakhs of gross expenditure on the Air Force compared with one for Rs. 33 lakhs in the Army. We have already recommended the abolition of the two medical appointments and the Chief Education Officer. As regards the two Engineer officers, we have some doubts as to the necessity for the post of Assistant. We understand, however, that inspection of Military and Civil landing grounds is carried out both by this officer and by an inspector of the civil department. We consider that these duties could be combined. Further, we recommend that two more appointments at Headquarters be selected for abolition, though we agree that the special investigation into the stores position, which is proposed, should not be impaired.

8. Throughout the Force there are maintained 138 British clerks. We recommend that only the absolute minimum of British clerks be retained for special duties and that the balance be replaced by less expensive Indian personnel.

9. We are informed that the actual average tour in India of officers who returned last year to the home establishment was 3 years and 4 months and in the case of airmen, 2 years and 11 months. This short service must involve India in considerable extra expenditure and we, therefore, recommend that steps be taken that the tour of duty in both cases should be increased to five years.

10. The reserve pool of officers will, it is understood, be reduced from 16 to 8, and we hope that, after the question of leave has been investigated, still further reduction may be possible.

11. We are informed that the airman receives kit and clothing allowance on the same scale as the British soldier in India and also a messing allowance of $3\frac{1}{2}$ annas a day. We have recommended the reduction of the former by 15% and of the latter by half an anna in the case of the soldier and the same reduction should apply to the Air Force. This will save about Rs. 50,000.

12. As regards the Depot at Karachi costing Rs. 18 lakhs and the Park at Lahore costing Rs. 4 lakhs, we have examined the question whether this separation of duties does not lead to reduplication of staff and of stores. We propose to go into the question at greater length when we resume our enquiry and to inspect one or both of these formations. In the meantime we recommend that the question of duplication be examined and the strength of the staff closely scrutinised as it appears to be organised on very liberal lines. Here again we advocate the appointment of Indian staff wherever possible in place of British other ranks.

13. As regards motor transport, we are informed that the total number of vehicles maintained is 191 and that many of these are of types peculiar to the Air Force. A special organisation is maintained for the overhaul and repair of these vehicles. We do not consider that the fact that many of these vehicles are of a pattern different from the Army pattern should militate against the transfer of the work of overhaul and repair to the Army Mechanical Transport Workshops at Chaklala, if, on investigation, this course proves to be economical.

14. The budget estimates are based on an allowance of 300 hours of flight per month per squadron. The average for the whole Force recently amounted to 2,750 flying hours a month. We were informed that the cost per hour of flight amounts to about Rs. 93 for fuel, oil, overhaul, etc., and that each overhaul, which takes place after 200 hours flight, costs over Rs. 6,000 for the engine alone, apart from the cost of reparation of the machine. On this estimate, the cost of practice flying for the force amounts to over Rs. 30 lakhs a year. We examined the Air Officer Commanding on the question whether, at the present time, a substantial reduction should not be made in this expenditure by reducing the amount of flying. We were informed that any definite reduction in this training would be most detrimental to the efficiency and morale of the Force. We recommend, however, that the question be

investigated with the object of securing economy wherever possible without serious detriment to efficiency.

15. As regards stores and supplies, we were informed that the value of stores obtained last year from England was £771,000 and of those obtained in India about Rs. 4½ lakhs. The stocks maintained in the Depot and Park amount to 15 months' peace consumption for English stores and 9 months' peace consumption for local stores. In addition the Park holds stocks of 6 months' peace consumption for all squadrons (except Quetta) and for the Park itself. The squadrons keep 2 months' peace consumption for their own requirements. In addition, all units work to a maximum peace establishment of 3 months for Ordnance and one month for I. A. S. C. stores. It is stated that three months' peace consumption is held to be equivalent to one month's requirements in war.

We consider that these stocks are excessive. The question has been receiving attention and considerable savings have been effected in the current year. We recommend, however, that a thorough investigation be made of the reserves of stores and engines maintained and of the scale of annual requirements.

The present holdings of stores should, in our opinion, be reduced to 9 months' peace consumption of English stores and 3 months for Indian stores. It should also be considered whether the additional 6 months' Park stores could not be reduced to 3 months, Ordnance stores to one month and the holdings of squadrons to one month's requirements. We consider that present circumstances make it necessary that some risk should be taken and our recommendations will effect very substantial initial savings. We further consider that all indents for stores should pass through the Indian Stores Department and the Director of Contracts to ensure that Indian manufactures receive due consideration. As regards bombs and explosives, we are informed that the total value of the stock maintained is nearly 30 lakhs of rupees. As the highest expenditure in any month in the last three years was Rs. 7 lakhs, we consider that here also a reduction in stocks is possible.

16. The total provision for works expenditure is about Rs. 25½ lakhs, the main items being :—

						Lakhs.
New works	..	..	..	..	..	12
Works in progress	..	..	..	..	..	2
Maintenance	..	..	..	..	..	9

We recommend that no new works be provided for next year and that the maintenance charge, which is based on the Army rate, be reduced for some time to come by 15 per cent. as most of the Air Force buildings are of recent date. This will reduce the cost of maintenance of buildings and roads by about Rs. one lakh. Works in progress and minor works for next year should be limited to Rs. 5 lakhs. With our other recommendations, the reduction on works charges should be at least Rs. 10 lakhs for next year.

17. Lastly, we recommend that no further expenditure of a capital nature on development or reorganisation be incurred during next year. This should involve a reduction at least of Rs. 20 lakhs in the estimates for next year as compared with the present year.

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SUMMARY OF RECOMMENDATIONS.

Royal Air Force.

Recommendation.	Initial saving.	Recurring saving.	Saving in 1932-33.
	Rs.	Rs.	Rs.
(1) Discontinuance of special medical Air Force service .. .. .	..	1,00,000	..
(2) Abolition of two medical appointments at headquarters .. .. .	..	35,000	35,000
(3) Abolition of Educational appointment at Headquarters .. .. .	..	12,000	12,000
* (4) Organisation of children's education on lines recommended for Army (saving not estimated) ..	..	..	..
(5) Reduction of two further appointments at headquarters .. .. .	..	30,000	30,000
(6) Replacement of British by Indian clerks (saving not estimated) .. .. .	..	..	..
(7) Increase of tour of duty in India of officers and airmen (saving not estimated) .. .. .	..	..	..
(8) Kit and clothing allowance to be reduced on Army scale .. .. .	..	50,000	50,000
(9) Reduction of staff at Depot and Park (saving not estimated) .. .. .	..	..	..
(10) Economy in expenditure on flying (saving not estimated but say) .. .. .	..	2,50,000	2,50,000
(11) Reduction in reserve stocks	10,00,000	..	10,00,000
(12) Reduction in provision for new works and in maintenance grant	9,00,000	1,00,000	10,00,000
Total ..	19,00,000	5,77,000	23,77,000

* Majority recommendation.

CHAPTER XVII.—MILITARY ENGINEER SERVICES.

The net expenditure under this head for the current year is Rs. 3,98,98,000 made up as follows :—

					Rs.
Works	..	..	..	..	1,96,43,000
Maintenance of roads, buildings, etc.				..	1,12,86,000
Maintenance and operation of installations				..	50,98,000
General charges	..	..	..	..	23,72,000
Establishment	..	..	..	..	64,38,000
Tools and Plant	..	..	..	..	3,92,000
Expenditure in England	..	..	..	..	4,69,000
Total					4,56,98,000
Receipts and other deductions	..	..	..	..	58,00,000
Net expenditure					3,98,98,000

2. We have taken preliminary evidence from the Quarter-Master General on the policy governing military works and from the Engineer-in-Chief on certain aspects of the administration and internal economy of the department, but we have been unable to complete our enquiry at this stage. We propose to confine ourselves now to recommendations which will directly affect next year's budget and we will resume our enquiry into the establishment and other charges of the service at a later date.

3. We have been informed that a large proportion of the expenditure on works has been determined by what is called the amenity programme and that this expenditure, during the last four years, has amounted to Rs. 4 crores 13 lakhs distributed as follows :—

				Lakhs.
				Rs.
Reconstruction of Indian troops' lines	..	..	..	2,76
British troops' lines, electric lighting and hospitals	..	..	..	83
Improvements to British hospitals	..	..	..	21
Improvements to Indian hospitals	..	..	..	33
Total				4,13

The main items which are still in contemplation are one crore for British officers' accommodation, 2 crores for married quarters for British families and 1½ crores to 2 crores on Indian troops' lines.

4. In our consideration of this large expenditure we have received valuable assistance from the Quarter-Master General. We are definitely of the opinion that, as so much has been spent on amenities and other works in the last four years and as the financial situation requires a drastic reduction of

this expenditure, the amenity programme and other works schemes must be postponed till circumstances improve, except for absolutely unavoidable construction. As for works in progress which cannot be shut down, we understand that commitments to the extent of about Rs. 88 lakhs are outstanding and we recommend that this amount should be spread over the next two years in equal instalments.

The provision for maintenance of buildings and communications amounts to about Rs. one crore 13 lakhs. In the case of buildings we understand that the estimate is based on 1-3/8 per cent. of the capital value. Owing to the heavy building programme of the last few years, a fair proportion of the buildings must be new and the allotment for repairs should be capable of some reduction. For this reason and having regard to similar recommendations on the civil works side, we think that a reduction of 7½ per cent. might be made on this year's figure, saving about Rs. 8½ lakhs.

5. We have discussed with the Quarter-Master General certain tentative estimates for next year and we are of the opinion that the net budget, including the specific reductions suggested by us should not exceed Rs. 2 crores 86 lakhs, a saving for next year of Rs. one crore 13 lakhs.

6. One of our terms of reference invites us to consider whether part of the expenditure now charged to revenue, could not, at any rate as a temporary measure, be met from loan funds. We have not been able to examine this aspect of the question which, as it involves a new departure, will require our most careful consideration. If we find ourselves able to recommend such a procedure, a further reduction will probably be possible in the budget which we have proposed above.



CHAPTER XVIII.—GENERAL QUESTIONS.

I. *Pay*.—(1) In regard to the system of pay prevailing in the Army, we have collected certain information but have not, in the time at our disposal, been able to formulate any final opinions thereon. We have been struck by one fact which continually emerged during the course of our examination of various ancillary services. We refer to the liberality of the scales of pay and allowances admissible to various classes in these services and we have had occasion to comment upon these scales at various points in our report and to suggest means by which more economic service could be obtained. From the laymen's point of view it strikes most of us as singular that it should be necessary or desirable to pay higher rates of pay in the ancillary services than in the fighting services. We merely notice this fact in passing and reserve our fuller comments till a later stage when we have been able to examine this important problem at greater length. At the present stage, we confine ourselves to a consideration of the question whether further relief to the financial position should not be afforded by a provisional reduction of the present scales of pay which were introduced at a time when the general cost of living was much higher than at present. In giving this much consideration to the question we realise that we may probably be regarded as over-stopping our terms of reference, by including fighting services in our recommendation below. But, in an emergency such as the present, we do not see how a retrenchment committee can avoid indication of a fruitful field for economy. With one exception, we consider such a reduction justified and we understand that the question is one which has engaged the attention of other sub-committees of our main Committee. Any action in this direction in the view of the majority must be on a uniform basis and be extended to all classes of the servants of the State except perhaps those below a certain minimum rate of pay. If a provisional reduction in present rates of pay is introduced on the civil side of the administration, it must, in the view of the majority, in equity, be applicable with suitable limits, also to the military forces, both fighting and ancillary. The tentative contribution which the majority of us make to the views which will be submitted for co-ordination under present arrangements to another sub-committee is as follows :—

1. A reduction of 5% on pay between Rs. 200 and Rs. 500 a month.
2. A reduction of 7½% on pay between Rs. 501 and Rs. 1,000 a month.
3. A reduction of 10% on pay over Rs. 1,000 a month.

(2) The cost of pay as a whole in the Army amounts, as we have been informed and have already stated, to the huge total of 27 crores of rupees of which 17 crores relate to the fighting services and 10 crores to the administrative and ancillary services. In the time at our disposal we have not been able to obtain an estimate of the saving which will be secured by reductions on the lines suggested, but it should not be less than three quarters of a crore.

II. *Expenditure on new measures under the programme of re-organisation and re-equipment on modern lines*.—We understand that provision to the extent of about Rs. 150 lakhs has been made in the current year for new measures most of which fall within the programme referred to. We have

not taken evidence specifically on the question as to what general programme, if any, is contemplated for next year but we are of opinion. having regard to the present financial position, that such expenditure should be postponed as far as possible. How much reduction in the present scale of expenditure can be made by this means depends on considerations which we have not yet been able to evaluate such as the inevitability of some expenditure of this kind or the feasibility of charging "programme" expenditure to loan funds.

III. We append a general summary of the financial effect of our recommendations in the field which we have so far covered; the estimates are necessarily only approximate and we have omitted many items for which no estimates were readily available. Nor have we taken into account any estimate for the proposals in the preceding paragraphs of this chapter though there should be very substantial savings possible in these directions.

IV. We propose to resume our enquiry towards the end of December when we will pursue further investigations into the Army Factories, the Ordnance Services, the Military Engineer Services and the system of financial control, and take up the examination of the staffs at Army Headquarters, Commands, etc. and of the Royal Indian Marine and certain miscellaneous subjects.

(Signed). T. RANGACHARIAR,

(Chairman).

MOHD. AKBAR HOTI.

SHIVDEV SINGH UBEROI.

MOHD. YAKUB.

F. C. BOVENSCHEN*.

15th September 1931.

*Subject to the reservations in the attached note.

NOTE.—Appendix C. contains the provisional views of Messrs. Mudaliar and Benthall at the time when they left to attend the Round Table Conference.

Note by Mr. Bovenschen.

Throughout the material of the report certain threads of policy keep recurring, influencing quite naturally both the general outlook of the report and the particular recommendations. The three main ones, may, I think, be described as Indianization, Civilianization, and the bringing into line with present Indian financial conditions of the privileges and opportunities which British troops receive in India as equivalent to what they receive when serving elsewhere. On these questions of policy, the views expressed in the report cannot be regarded as mine : nor do I agree with the implications which the expression of those views in places may be regarded as conveying. Further, I have neither the experience of India nor the full knowledge of the reasons underlying past policy to justify an opinion on the principles involved. But from the point of view of practical administration I should like to make the following observations :—

1. *Indianization*.—From a financial point of view it is clearly advantageous to substitute Indian personnel for British personnel, and an Economy Committee would fail in its duty if it did not point out the great possibilities in this direction. How far suitable Indian personnel are already available to take up the various duties at present carried out by British personnel and how long it will take to train them, if they are not, I am not in a position to say. But I am definitely of opinion that, merely as a practical matter, substitution must in many cases be gradual, and that, if Indianization is to succeed, in certain spheres at any rate, it can only be introduced by means of sympathetic trial and experiment. The Army machine is complicated : if it is to be efficient, all its parts must be efficient ; and to substitute on a large scale immediately in certain parts a different personnel from that which has hitherto been employed may endanger both the efficiency of the whole machine and the success of the substitution. And there are moral and contractual obligations in respect of those who are at present performing the duties,—obligations which even on financial grounds cannot be ignored.
2. *Civilianization*.—I agree that there are spheres of Army administration in which a due proportion of the civilian element may properly and very advantageously be introduced. But in my view civilianization of Army administration, or any portion thereof, is not an end in itself. The Army is a military machine, and if it is to be retained at all, it must be retained in a state of military efficiency with, of course, due regard to economy. How far, as a matter of principle, the present Army organization falls short of the due proportion of civilian element to ensure the maximum of efficiency and economy is a matter on which it seems to me desirable to wait till the end of our enquiry before expressing an opinion. How far, apart from questions of principle, the introduction of the civil for the military element in particular cases would increase or decrease efficiency and what economy it would give is a matter for examination on the merits of each case.

3. As regards the privileges and opportunities accorded to British troops in India, I agree with the minority view expressed in paragraph 3 of the section dealing with Army Education. But questions of principle and policy apart, I think it right to draw attention to the hard fact that recruiting in the United Kingdom is already a matter of the greatest difficulty, and the withdrawal of certain attractions now offered or the discrimination between conditions of service in India and elsewhere might well aggravate that difficulty beyond practical limits.

Arising out of these general observations or for other reasons, I have the following comments and reservations to make on the particular proposals contained in the report.

(a) *Army Instructional Establishments and general education.*—I do not think that the Physical Training School and the Equitation School should be closed. I think that everything possible should be done to avoid completely closing down establishments which the Army holds have a definite military training value. But in present financial circumstances, I think that some reductions must be made, and I would recommend that at the Physical Training School, the Equitation School, the Small Arms School, the School of Artillery and the Tank Corps School, the outturn of students should be reduced by 30 per cent. with consequent saving in staff. I would suggest this on the ground that it may be possible to utilize the instructors, who have passed through these schools, to instruct members of their units to act as their assistants, and by this means, with a reduced output from the Schools, to give training in the units not unduly below the standard at present afforded.

As regards the Equitation School, I am not clear why British officers should take three horses and Indian officers two horses to the School. If it is cheaper for officers to bring their own animals instead of the school maintaining a pool, I recommend that the number they bring should be reduced (unless there is no additional cost to the State for transport or otherwise in bringing the extra horses).

As regards the Senior Officers' School, under present conditions, I agree that some reduction in instructional staff should be attempted, but I would limit the reduction to one. Subject to these modifications I agree with my colleagues' recommendations as to the Schools of Instruction.

As regards Army Education, I agree in the recommendation to abolish the Command appointments and the reduction of Army Education Corps Warrant officers by attaching smaller units to larger for educational purposes. I do not know enough of the conditions of civil schools in India and their accessibility to cantonments to justify me in recommending the abolition of Army Children's Schools at all stations at which there are civil schools, and the question of policy (the provision of facilities equivalent to what the soldier enjoys elsewhere) also arises. Subject to that question, I think that an experiment might be made on the lines recommended by the Committee at suitable stations where civil facilities exist.

I regret I am not in agreement with proposals (b) and (d),—the reduction of district inspectors in addition to that of Command appointments and the restriction of the soldiers education to the 2nd Class Certificate standard.

(b) *Indian Army Service Corps.*—As regards the details of my colleagues' recommendations in regard to the Mechanical Transport establishments, I would prefer to wait till the results of the Quarter-Master General's examination are known, and, if possible, till I have had an opportunity of visiting the establishments. I doubt, *e.g.*, whether the reduction of British Other Ranks by as much as 50 per cent. is a practical proposition. On the other hand I am hopeful that the Quarter-Master General's examination will result in at least the 7 lakhs reduction recommended by the Committee, if not more.

In these and other cases the military authorities with their knowledge of the actual working of the machine are in a favourable position to judge how economies agreed on in principle can best be applied in detail.

(c) *Supplies.*—As regards the proposals for the replacement of British Other Ranks and British Officers, my general remarks on the subject of Indianization apply.

(d) *Travelling Warrants.*—I am completely in agreement with my colleagues that a system of travelling warrants is desirable, but I would not recommend it, if the cost of audit in the Army audit offices and the charge, which I understand would be made by the railway companies, is disproportionate.

(e) *Remounts.*—I should prefer to reserve my opinion on the points under investigation by the Special Committee set up by the Quarter-Master General until that Committee has reported. I have not had sufficient evidence to enable me to agree to the suggested scheme for the administration of Remount depôts.

(f) *Medical Services.*—Many of the recommendations (*e.g.*, the increase in the proportion of Indians in the I. M. S., the greater use of Assistant Surgeons, the use of Indian Hospital Corps Orderlies for British troops and of Indian Nurses, the staffing of amalgamated hospitals) involve questions of policy on which I express no opinion. But this is one of the cases, to which I referred in my general remarks above, in which on practical administrative grounds, if for no other reason, changes of policy should in my opinion only be introduced, if approved, after experiments have established that they will work efficiently and well.

I do not think that the proposal to abolish the allowance granted to medical officers in possession of specialist qualifications is sound. That such specialists should be available seems to me most desirable and I doubt whether, without financial inducements, officers will qualify.

(g) *Military Accounts.*—As regards the decrease in the number of Superior Service Officers and Subordinate Gazetted Officers, and the views and recommendations expressed by my colleagues I think it only right to say that I found no evidence that the proposals of the Military Accountant General have been made with any partiality to any particular grades or with regard to anything but the effect of the various reductions of work which he proposes on the particular staff affected.

On the general question of the reduction of the Superior Service Officers, it seems to me from such experience as I have that, in a department

dealing with financial advice and audit as well as accounts, an establishment of 44 Superior Service Officers in charge of 101 Subordinate gazetted officers and over 4,400 Accountants and clerks is definitely low. While in the actual keeping of accounts there is no doubt a large amount of routine work and the proportion of the officer grade to the others may well be low, in audit and financial advice a high percentage of upper staff is not only justifiable but economical : and while I cannot pretend to know the Indian system I should, on general grounds, consider that a definite weakening of the standard of audit and financial control with possible financial risks would result from the reduction of Superior Service officers. In any case I do not think that any reductions beyond those recommended by the Military Accountant General are justifiable, and I do not make my recommendation of the other economies proposed conditional on any reduction in the higher grades.

As regards priced store accounts, I recommend their abolition as soon as possible with the consequent saving of Rs. 4 lakhs. Their retention seems a relic of Cost Accounting days and viewed either from the aspect of financial control or from that of the information furnished to the public, their cost is in my view totally disproportionate to their utility. Something on the lines of what is done in the United Kingdom, where the question of stock valuation for the Army has been exhaustively and independently considered, should in my opinion meet all reasonable requirements, if any replacement of the existing accounts is necessary.

(h) *Recruiting Services*.—I think the Ajmer and Delhi recruiting areas should be amalgamated with the consequent saving of staff. As regards my colleagues' recommendation, recruiting work (including the administrative work inseparable from it) is of such importance to the Army that, I do not feel justified, in view of the evidence given to us, in recommending more than that an experiment should be made of the substitution of one Viceroy's Commissioned officer for a recruiting officer.

(i) *Vocational Training*.—As indicated in my general remarks, I cannot agree with my colleagues' views on this.

(j) *Air Force*.—My remarks regarding the provision of school facilities for the children of soldiers apply in the case of the Air Force.

(k) *General Question—Pay and Allowances*.—I cannot agree to the reduction proposed in the pay of commissioned officers and soldiers, whether they belong to the fighting or administrative service. I express no opinion on this question, recommendations on which I had regarded as outside the terms of our reference.

F. C. BOVENSCHEN.

GENERAL SUMMARY.

Head.	Initial saving.	Recurring saving.	Saving recommended for 1932-33.
	Rs.	Rs.	Rs.
(1) Supplies	83,000	14,40,000	11,90,000
(2) Animal and Mechanical Transport and other such charges	60,75,000	37,79,000	39,93,000
(3) Remounts	7,20,000	7,25,000	13,45,000
(4) Veterinary Services .. .. .	..	68,000	59,000
(5) Farms	6,72,000	3,10,000	5,50,000
(6) Medical Services and Stores Depots	7,00,000	31,56,000	16,00,000
(7) Kit and Clothing allowances .. .. .	..	24,15,000	15,90,000
(8) Miscellaneous Services .. .. .	..	12,85,000	12,65,000
(9) Military Accounts .. .. .	..	7,18,000	3,92,000
(10) Royal Air Force	19,00,000	5,77,000	23,77,000
(11) Army Education .. .. .	..	11,21,000	9,63,000
(12) Schools of Instruction .. .. .	..	7,61,000	7,61,000
(13) Military Works	1,04,50,000	8,50,000	1,13,00,000
(14) Cantonments .. .. .	..	4,90,000	2,65,000
(15) Factories (preliminary) .. .. .	..	4,00,000	2,00,000
Total	2,06,00,000	1,80,95,000	2,78,50,000

NOTE.—The above summary does not include several items, the savings from which cannot yet be estimated : nor does it take into account savings from any possible reduction in pay or from the “programme” expenditure referred to in Chapter XVIII except some items under Mechanical Transport.

APPENDIX A.

I have forwarded separately through the Financial Secretary the proposed revised terms of reference to the Sub-Committee on Army Expenditure. A copy is placed on the file.

2. The provisional programme is as follows. The Sub-Committee will meet in Calcutta about July 10th to consider material then available and, with the permission of His Excellency the Commander-in-Chief, would like to visit the local factories. It will return to Simla about July 25th and from then onwards take evidence. It might request permission to visit one of the Arsenals. It will probably report to the General Committee about the end of August.

3. The basis of the enquiry will be the memorandum by the Financial Adviser on the growth of expenditure and the following supplementary information is proposed for the Sub-Committee :—

- (a) a general note explaining what economies have been effected during the currency of the "Contract" Budget. The Chief of the General Staff agreed to this at an earlier meeting.
- (b) a note for each head dealt with in the memorandum referred to (except for Head I "pay and allowances of the fighting services" for which the only information required has been separately indicated) which would bring out in more detail reasons for increased establishment and expenditure. It should then deal with such questions in the terms of reference as apply to the particular head in question. An informal discussion was held recently with the Financial Adviser in which particular questions likely to arise out of the terms of reference were suggested for consideration. The note would then show what further economies were proposed or suggest further lines of investigation.

4. The Sub-Committee would be glad to have as much material as possible in its hands some time before the meeting on July 10th and I would request that all material on the above lines which can possibly be prepared by June 18th should be sent to me for communication to the members. For the present 8 copies of typed replies will suffice. If necessary the question of printing will be considered later.

A. F. L. BRAYNE.

The 5th June 1931.

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APPENDIX B.

Army Department are asked to produce—

- (a) a general statement of the economies actually effected during recent years ;
- (b) a statement of the proposals for economy which are being brought into effect.

The following documents should be collected and the Army Department should be asked to forward them to Dewan Bahadur T. Rangachariar :—

Pay and Allowances Regulations.

Travelling Allowance Regulations.

Passage Regulations.

Medical Regulations.

Barrack Synopsis.

Supply and Transport Regulations.

The two Innes Committee Reports.

Action taken on the above Innes Committee Reports.

Action taken on the Inchcape Recommendations.

Welby Commission Report.

Annual Reports of Factories, Grass Farms, etc., for the last two years.

Public Accounts Committee proceedings for the last two years.

Copies of the Auditor General's letters for the last two years.

Army Headquarters Directory.

A comparative table of pay and allowances for all ranks from General downwards—
British and Indian.

Army Department will furnish in respect of each head in the memorandum on expenditure a fuller account of activities and reasons for increased expenditure with special reference to the relevant sections of the terms of reference. The following are a few of the special questions which should receive attention.

Head I.—Kit and Clothing Allowance.—A brief history of these allowances up to date should be given, i.e., the half mounting allowance system should be described. What the kit and clothing allowance now is and on what basis it is fixed.

Miscellaneous and incidental expenditure.—It will be necessary to describe the nature of the expenditure included under this head.

Non-combatant followers.—Give the numbers and pay of these non-combatants ; describe briefly what their duties are.

Reservists.—The terms of service. Find whether they can be utilised so as to give some return.

Head II.—Army Educational Establishment.—Ascertain how much of this expenditure is on Indians and how much on British and the *per capita* cost.

Central versus local purchases.—Produce a note showing the benefits and economies of central purchases.

Transportation.—A note on the mechanisation policy, with reference also to the subsidy scheme and the rules regarding utilisation of mechanical transport in peace and whether mechanisation is cheaper than animal transport.

Remounts.—Regarding purchase of valers, examine the question whether country-bred animals could not be more extensively utilised. Also enquire into the point whether the period of acclimatization of horses is essential and the cost of this.

Arsenals and Depots.—Enquire into the following points :—

Are Arsenals not too scattered ? Could they be concentrated more ; on what basis are stocks maintained ? The system of provisioning. The system of condemnation of deteriorated stock and the system of inspection of equipment in units and depots, *i.e.*, are the safeguards against premature condemnation adequate. Method of disposal of condemned stocks (In this case a reference to the Disposals organisation note only will be given). Steps taken to prevent deterioration in stock in arsenals. When new articles are introduced what is done with the serviceable old articles ?

Medical Colleges and Schools.—Why should the Army not recruit men after they have passed out of the civil institutions, *i.e.*, why should subsidies be given for training ?

Medical services.—Is the number of beds excessive considering the reduced sick list of present times ? Is hospital accommodation excessive ? The justification for the number of specialist officers now maintained.

Military Accounts Department.—The Military Accountant General is taking this matter up and showing what has been done to economise and simplify work.

Administration of Cantonments.—Is the standard of administration not too high with the result that grants have to be given from Army funds ? Alternatively, is not the standard of taxation too low having regard to the benefits received. Are overhead charges excessive, *i.e.*, cost of supervising establishment ?

Grass and Dairy Farms.—Are supervision charges not excessive ? Could supervision not be done by Commands ? Are the prices charged to customers high enough ?

Staffs.—Have the recommendations of the Innes Committee been carried out ? With regard to the clerical establishment, have the recommendations made by Mr. Macdonald been carried out ? Are Commands dealing with the clerical staff ? Are the clerical establishments not too highly paid considering the work they do ? Will the adoption of modern office methods lead to economies ? Enquiry into the substitution of British clerks by Indian clerks. Why is the proportion of officers to clerks so much higher than in Civil offices ? Similarly the proportion of senior officers to junior officers. Is any saving possible on contingent charges, *i.e.*, telephones, telegrams, printing and stationery charges ? Is there any special control of printing and stationery ?

Stores.—An account should be given of the ration scheme.

Fuel and Light.—Is any reduction possible in the scales or in the distribution ?

M. T. Stores.—What is the necessity for holding so many reserve vehicles and spare parts ? Methods of provisioning should be described. Whether economy can be effected through greater standardisation of vehicles.

Animals.—Has the reduction in the purchase of animals corresponded to the increase in expenditure on M. T. ?

Transportation—Hired Transport.—Why is there an increase under this head when there has been so much expenditure on mechanisation ?

Non-effective charges.—What lessened expenditure can be expected owing to the fall off in war pensions. A memorandum should be furnished regarding this head which would contain comparative rates of pensions.

Auxiliary and Territorial Forces.—Expenditure should be shown separately on these forces and enquiry made as to whether any economy is possible in supervision and training.

M. E. S.—The percentage of overhead to the total expenditure should be worked out. The system of contracts should be described and enquiry made as to whether the rates for work and labour have come down to an extent which corresponds to the fall in prices. Are the scales of buildings and furniture excessive ? Are the charges which the M. E. S. make for electric light and water adequate ? Is the provision of buildings based on a regular programme, and if so, what reduction in expenditure may be expected after completion of programmes ?

APPENDIX C.

As Dewan Bahadur Mudaliar and Mr. E. C. Benthall have to leave to attend the Round Table Conference, the Committee on 7th August desired to ascertain and record their views upon the military estimates generally and in particular upon those heads upon which the Committee have had fuller information and evidence from witnesses *e.g.*, military accounts and the Quarter-Master General's Services and Military Engineering.

2. The results of the discussion are as follows. In regard to the Fighting Services the two members considered—

- (1) In view of the fall in prices substantial savings should be secured by reduction in various allowances such as (a) Syce and Forage allowance, (b) Kit and Clothing allowance, (c) Messing allowance, (d) the various miscellaneous Allowances such as Band and Office allowance, the total of which is about Rs. 22 lakhs.
- (2) They considered that the principle of duty and other allowances had been too widely adopted in the Military Accounts Department, and that these should be reviewed and materially reduced. In the particular case of unit accountants where some special pay seemed desirable, it should be given in the form of a special grade rather than as an extra duty allowance.
- (3) Mr. Mudaliar considered that officiating allowances should be suspended at least for a period.
- (4) An enquiry should be held into the necessity for various 'station' or 'local' allowances.
- (5) As regards certain items of expenditure in England, Mr. Mudaliar thought that the payments for National Health and Unemployment Insurance were not a fair charge upon India and that these items should be included with the Capitation Rate before the forthcoming tribunal. Mr. Benthall was not prepared to give his opinion upon the justification for these payments but agreed that they should be dealt with as proposed.
- (6) Mr. Mudaliar considered that expenditure on Vocational Training was unjustified and should cease forthwith. Mr. Benthall was not prepared to express an opinion without further enquiry but agreed that the question ought to be fully considered.
- (7) Mr. Mudaliar considered that the Lee Concession passages (which cost the Army some Rs. 20 lakhs) should be suspended at least for a year. Mr. Benthall would rather put it that owing to the fall in the cost of living a reduction in emoluments of officers and other ranks was probably desirable in some form as in many other places if this could be done without injustice and without giving rise to serious discontent. It was agreed that for future pay a sliding scale varying within limits with the cost of living on the English system should be adopted.
- (8) It was agreed that the system of employing military officers in quasi-civil formations such as factories and grass farms was undesirable except where expert military knowledge was essential. Mr. Mudaliar held that the higher departmental rates of pay for such ancillary services were unjustified. Mr. Benthall thought that an enquiry should be made into such rates of pay.

3. Certain special points were discussed and the conclusions of the two Members were as follows :—

- (1) Deputations of factory officials should be enquired into: also the system of study and language leave, particularly the sending of officers to Japan, China and elsewhere.
- (2) The scales of followers throughout the Army should be examined and reduced.
- (3) Marriage and separation allowance should continue.
- (4) A definite programme of Indianisation in the ancillary services should be drawn up for the next five years, the Indians appointed to be on lower pay, say

two-thirds of the present rates. Mr. Benthall would add that the only test of progress must be efficiency. The educated man often lacks the power to command while the uneducated man often has not the necessary ability. In his opinion progress must largely depend upon sympathetic handling of the problem by senior officers which will gradually permeate downwards. And of this, there are, in his opinion, good signs.

Educational and Instructional Establishments.—(1) It was agreed that the numbers of officers and men sent for trainings should be reduced and that a consequent reduction should be secured in teaching establishment.

(2) As regards Army Education, Mr. Mudaliar thought that the Lawrence schools should be administered by the Punjab Government, the Army perhaps making a grant. He considered that the pupils educated in these special schools and in the King George's School might really be educated in the ordinary provincial schools. He further considered that locally trained teachers should be employed instead of importing school-mistresses, etc., from England. Mr. Benthall preferred not to express his opinion without further enquiry but agreed that enquiry might be made on these lines. He was, however, definitely of opinion that the expenditure on Army education should be reduced by 10%, the actual methods being for the Department to devise.

5. *Remounts.*—Mr. Mudaliar considered that it was uneconomical to purchase a lot of young stock and maintain them for years. Mr. Benthall thought that the whole question of Remounts was one on which the advice of the Chief of the General Staff should be sought. For one thing, as regards infantry chargers it was possible that the present standards were too high.

6. *Medical Services.*—Mr. Mudaliar held that all further recruitment should cease, that the Indian Hospital Corps should be divided into combatant and non-combatant, that British and Indian Hospitals should be amalgamated. The British nursing orderlies should be abolished and locally trained nurses employed instead of Europeans. He would also abolish the capitation allowance in the case of military pupils at provincial schools. Mr. Benthall agreed about the last point and that enquiry should be made as regards the others; he further considered that in the case of this head it would probably be necessary to insist on a percentage cut, the details of compliance to be left to the authorities. Mr. Mudaliar further considered that family hospitals should not be retained but families should have recourse to civil hospitals. The scales of diet and of stores in hospitals should be revised. In his opinion it was unnecessary to maintain a war reserve of medical personnel as there was an ample reservoir in civil life. The I. M. D. should be open to all communities and could perform much of the work now done by I. M. S. and R. A. M. C. officers. Mr. Benthall thought that enquiry should be made along these lines.

7. *Veterinary Services.*—It was agreed that these appeared to be overstaffed in respect of officers and that a reduction should be made. The two Army Veterinary Schools should be abolished.

8. *Supplies.*—(1) More rapid progress should be made in the process of substituting Indians for British Other Ranks.

(2) The Cis-Indus supply organisation should be adopted in Trans-Indus areas.

(3) The number of Supply officers appears to be excessive and in some cases senior officers seem to hold charge of small formations. Mr. Mudaliar would definitely reduce the numbers. He would also divide the I. A. S. C. into combatant and non-combatant. Mr. Benthall would not express a final opinion but agreed that there were grounds for enquiry.

(4) The question of contracts had been very fully discussed with the witnesses and the views of the two members on particular points were—

- (a) tenders in all cases of over Rs. 10,000 should be normally called for in the open market and advertised in principal vernacular as well as English papers;
- (b) lists of approved contractors should be published once a year and displayed on notice boards;
- (c) it should be made clear in tender forms that persons could quote for only a portion of the total required and also for delivery at particular places;

(d) while it was agreed that particulars as regards the accepted rate and whether the lowest tender was accepted, should not be published, it was considered that in the case of local purchases also details as to tenders accepted should be published locally in the most suitable manner.

(5) It was considered that all contracts of any importance, both central and local, should be considered by a Board as in the case of certain Railway contracts. Mr. Benthall was definitely opposed on principle to the appointment of a non-official to the Board, though if Railways admitted this, the case was weakened. On this point Mr. Mudaliar would follow the Railway precedent. As to whether the Director of Contracts should be transferred to the control of the Financial Adviser or Army Secretary after the Home analogy, there were points in favour of such a course, particularly the principle that the purchasing agency should be independent of the consuming and spending department. It was agreed that the point might be examined further.

(6) An enquiry should be made into the co-ordination of the purchasing system, the Indian Stores Department and the Director of Contracts. This might be done by the Army Sub-Committee and the Stores Sub-Committee together. Mr. Benthall considered that there should be more co-ordination and that inspection branches should be amalgamated.

(7) As regards purchase of articles such as tinned meat, the question of bulk purchase pooled with the War Office should be considered.

(8) In case of agencies such as those for *ghi*, grain and grain crushing, the question as to whether this was the most economical system should be pursued. If accepted as the best, then wide call should be made for tenders.

(9) As regards mobilization reserves, the volume required thorough examination with the object of reducing losses on turnover, etc.

(10) They would emphasise the importance of the rupee tender rule and thought that a limited price preference of say 20 per cent. should be considered.

(11) The Director of Contracts should consult the Agricultural Department on the further development of certain articles of supply required by the Army.

(12) The use of soft coke for cooking instead of firewood where more economical and the purchase of coal in consultation with the Chief Mining Engineer from the Central Provinces mines should be considered.

9. On the general question whether the Ordnance factories should be employed more on Government work, Mr. Benthall stated that he had given his full opinion in a separate note. Mr. Mudaliar thought that the superior staff in factories should be reduced: that inspection was excessive and duplicated inside and outside the factory, except perhaps on lethal weapons. He would give more Government work to factories even at the cost of departing from the policy that private trade should be favoured. He would not, however, increase plant for the purpose but only use existing plant to the full. In the case of the clothing factory electrical energy should be taken from a private company instead of running a separate and expensive plant in the factory.

10. As regards Rations, it was possible that the scale was pitched at a fairly liberal rate with a margin of safety. In any case whether or not this was the case, the sliding scale experiment indicated that bulk issue of full scale was uneconomical *e.g.*, 800 men or horses did not need 800 standard rations and the tax-payer should get the advantage of this fact to a larger degree than at present. The ration system should therefore be reviewed. In view of the fall in prices the $3\frac{1}{2}$ annas a day messing allowances should be reduced probably to 3. This would mean a saving of about Rs. 6 lakhs. The issue of mutton instead of beef on one day in the week should be discontinued saving about Rs. 4 lakhs.

11. *Military Accounts.*—(1) On the particular question whether priced store accounts should be abolished, Mr. Mudaliar would prefer to express no view at this stage. Mr. Benthall considered that as all necessary information could be procured under a different system, the saving should be secured. He thought that the recommendations of the Military Accountant General amounting to a saving of about Rs. 9 lakhs should be secured.

(2) The system of duty allowances should be reviewed to secure considerable reduction

(3) The system of factory accounts seemed to be very complicated and not of great use to the control. An expert enquiry should be made into the whole matter.

(4) Scales of pay in the department are high and should be reduced.

(5) The system of unit Accountants should continue, the two men in British infantry units should be reduced to one and further reductions seem possible where separate formations are close together. An officer of the Department might be asked to study the English system of pay accounts on the spot.

(6) Further amalgamations should be considered, e.g., distribute work of Presidency and Assam District, combine Marine office with Poona or at any rate reduce it to a Deputy's section. Combine Madras with Poona.

12. As a general question (though concerning the Military Accounts Department) Mr. Mudaliar deprecates the system of extending Lee passage concessions so widely, e.g., to officers promoted from subordinate to superior services and would have the whole question reviewed.

Mechanical Transport Vehicles and Stores.—Subject to its not being proved impossible, Mr. Benthall would stop this year and next year all purchases both of vehicles and of stores (unless it can be shown that replacement of any particular stores are essential) and would recommend that the organization of a reserve of civilian vehicles should be taken in hand. With the limited number of frontier roads progress may have been too rapid and a period of review would be sound. Mr. Mudaliar agrees with Mr. Benthall, without the opening proviso. Mr. Mudaliar should like examination of the question whether the standard of mechanization of the Army already reached is not sufficient for all practical Army purposes connected with the defence of India.

Mechanical Transport Types of Vehicles.—Mr. Mudaliar and Mr. Benthall consider that an endeavour should be made to develop one "Sealed pattern" type of vehicle suitable both for Army and Air Force use.

Mechanical Transport Spares.—Mr. Mudaliar and Mr. Benthall consider that if possible makers of vehicles should, as a condition of the purchase of their vehicles, be required to guarantee the provision of spare parts for a term of years.

Use of Army Factories in connection with Mechanical Transport.—Mr. Mudaliar and Mr. Benthall consider that further examination should be given to the question whether use cannot be made of the Ordnance Factories in connection with repair work of Mechanical Transport. Probably Chaklala could be much reduced in size, part being kept as a war-reserve.

Mechanical Transport Repair Units.—Mr. Mudaliar and Mr. Benthall would both record that these units seem expensive and that technical investigation should be made into their costs with a view to substantial reduction.

Animal Transport for part of Field Army.—Mr. Mudaliar considers that this transport should be dispensed with (subject to the retention of any required for economical provision of peace requirements). Mr. Benthall would like the question further considered.

Mechanical Transport and Animal Transport Personnel.—(a) Mr. Benthall and Mr. Mudaliar would recommend that a definite programme should be prepared by the Military authorities for the training of Indian personnel to be substituted for British "Other Ranks."

(b) Mr. Mudaliar recommends a reduction in the strength of officers in Mechanical Transport units. Mr. Benthall agrees, subject to further evidence confirming this view.

(c) Mr. Mudaliar and Mr. Benthall would recommend a reduction in officers in animal transport units with reference to the reduction in the number of animals in such units.

(d) Mr. Mudaliar and Mr. Benthall consider that the cost of training mechanical transport drivers is too high.

(e) Mr. Mudaliar would like to know the scales of pay and allowances of the Anglo-Indians referred to on page 112 of the Army Budget.

Vehicle Reception Depot.—Mr. Mudaliar and Mr. Benthall both accept the necessity for this.

Central Mechanical Transport Depot.—Both Mr. Mudaliar and Mr. Benthall consider that the cost of the staff employed on stores seems excessive. They both consider that the pay of artificers referred to on page 25 of the Quarter-Master General's note should be reduced forthwith.

Substitution of Civil agencies for Military agencies at Cis-Indus stations.—Mr. Mudaliar thinks that in Cis-Indus stations civil agencies should be substituted for military personnel for administrative work such as that at supply depots, etc.

Hired Transport.—Both Mr. Mudaliar and Mr. Benthall consider that existing Army transport should be still further used to save the cost of hired transport even at the risk of splitting up mechanical transport units still further.

Transportation.

System of annual relief of units.—Mr. Mudaliar and Mr. Benthall consider that these movements should be confined for the next few years to a narrow circle near the frontier.

Furlough passages for the Indian Army.—Mr. Benthall would press that the examination of this question should be pursued and that reduction should be made in these furlough passages. Mr. Mudaliar before expressing an opinion would like to know how many men avail themselves of the privilege and for what period.

Removal of soldiers and their families to the hills.—Mr. Mudaliar and Mr. Benthall both think that this should be very considerably curtailed.

Embarkation Staff.—Neither Mr. Mudaliar nor Mr. Benthall makes any recommendation in regard to this.

Travelling Warrants and allowances.—Mr. Benthall is in favour of the principle that travelling warrants should be issued for officers and stores vouchers for baggage and appropriate allowances should be given as an alternative to the present system of the grant of so many fares in cash. He thinks this change of system would reduce criticism though it might not save so much as would be saved by curtailing travelling. Mr. Mudaliar makes no recommendation on this point but thinks that the travelling allowance on permanent transfer is too high and should be reduced.

General Cost of Transportation.—Mr. Mudaliar and Mr. Benthall both consider that reduction of at least 10 per cent. in the total cost of transportation should be aimed at taking into account the savings on individual items which are being considered separately.

Military Rolling Stock.—Neither Mr. Mudaliar nor Mr. Benthall has any recommendation to make in regard to this.

Saloons.—Both Mr. Mudaliar and Mr. Benthall think that some reduction should be made in regard to the use and cost of saloons, but they would like to see what the Quarter-Master General is proposing before making any recommendation.

Grade of accommodation on freight ships.—Both Mr. Mudaliar and Mr. Benthall recommend that there should be reduction in the grade of accommodation at present allotted on freight ships to various classes of officers.

Camping Grounds.—Mr. Mudaliar thinks that these should be disposed of so far as possible. Mr. Benthall agrees but would retain a right to use of wells, etc.

Movement of supplies under the Central Purchase System.—Mr. Mudaliar had no remarks to make on this.

Launches.—Mr. Mudaliar and Mr. Benthall both consider that these should be immediately got rid of.

General Notes by Mr. Benthall.

Military Engineer Services.—Mr. Benthall would cut out for the next year or so all expenditure on new works except on such new works as are necessary to keep up the existing accommodation. He would restrict the Rs. 1,20,00,000 referred to in Mr. Macleod's Memorandum as normal expenditure on new works to Rs. 20,00,000 and then only subject to proof of absolute necessity for fresh buildings in each case. If this is

done, he considers that the R. E. officers can then concentrate their attention on supervision of maintenance services and probably reduce the cost of maintenance by 10 per cent. by better supervision.

He also considers that the maintenance of electrical and other communications should be examined by some outside expert with a view to effecting economies.

Territorial and Auxiliary Forces.—He considers that, under present conditions, these forces give no satisfaction either to the public or to the Military and the question should be reviewed with a view to seeing whether arrangements cannot be devised which will, without additional expense, make these forces both of military value and also make them satisfactory to public opinion. He also considers that units of arms other than infantry, if of no military value, should be converted into infantry provided this would result in economy.

General Remarks by Mr. Mudaliar.

Co-ordination of various defence agencies.—Mr. Mudaliar thinks that a sub-committee of the Army Retrenchment Committee should consult with the General Purposes Committee on the general question of co-ordination of various defence agencies on the frontier with a view to preventing overlapping of responsibilities and effecting economies.

Stocks.—Mr. Mudaliar thinks that the stocks of boots and clothing, etc., at present maintained are excessive.

Purchase of Hides.—Mr. Mudaliar thinks that the present joint purchase system existing between the Government and Messrs. Cooper Allen should be abolished.

Clothing Scale for Followers.—Mr. Mudaliar thinks that the clothing scales for followers should be reduced.

Veterinary Services.—The stipends for Veterinary students should be abolished.

Mechanical Transport Workshops.—Cost is much too heavy, both officers and men should be reduced.

Military Works.—He agrees entirely with Mr. Benthall. All new expenditure on buildings, electricity and furniture should cease during next year save where the G. O. C. of the Command certifies it to be absolutely essential for the safety of the Army.

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APPENDIX D.

DETAILED QUESTIONNAIRES ISSUED BY THE ARMY SUB-COMMITTEE.

INSTRUCTIONAL AND EDUCATIONAL ESTABLISHMENTS.—(*Estimates page 70*).*General.*

(1) As regards all these establishments how far is the output regulated by demand ; how far in estimating the supply is account taken of the personnel trained in corresponding schools in the United Kingdom and now serving in India ; and for approximately how long do personnel trained in the schools in India remain in India after such training ?

(2) Is the general standard set by these schools not too high for purely Indian requirements ?

(3) Would it be possible and economical at any of the schools to substitute N. C. O. instructors for officer instructors ?

(4) In the case of all these establishments have the details of incidental and miscellaneous expenses been reviewed to see whether reduction cannot be made in view of the fall in prices ; (a 10% cut would yield over 15,000 rupees).

Physical Training School and Command Staffs.—What are the numbers (a) British (b) Indian officers and other ranks passing through the school annually ?

Staff College Quetta

(1) What is the length of the course ? What is the total number of students ? How many officers from the Dominions are trained at Quetta ? What charge is made to the Dominion Governments for training their students ?

(2) How many instructors are of a higher grade than G. S. O. II ?

(3) Is the cost of a student a day given in the note the full cost (e.g., inclusive of accommodation, travelling rations, etc.) ?

(4) Could arrangements be economically made for the students now trained at Quetta to be trained instead at Camberley ?

Small Arms School.

(1) Would it not be possible to combine the two wings ?

(2) Where is the Headquarter located ?

(3) What charges are made in respect of the vacancies allotted to Irregular Corps and on what are they based ?

(4) Would it not be possible to substitute Indian soldiers for British Soldiers in any of the cases in which the latter are now employed ?

(5) It is noted that six Indian Officers replace three British.

Equitation School.

(1) How many horses are retained on the establishment of the school ? Do students bring their own horses with them ?

(2) How many of the students is it estimated belong to arms other than the Cavalry ? When was the policy of sending such officers and N. C. Os. to the school introduced ? Under present financial conditions could not this policy be reviewed ?

(3) Why has the number of Indian officers and other ranks gone up from 206 in 1930-31 to 238 in 1931-32 (page 78 Army estimates) ?

(4) With the reduction in cavalry units is the school justified ?

Senior Officers School.

(1) On what basis is one-third of the vacancies allotted to British Service Officers ? What is the length of the course ?

School of Artillery.

(1) What is the average number of students at the school at one time ?

(2) What is the estimated annual expenditure of ammunition at the school ?

Royal Tank Corps School.

(1) The annual output of the school is given on page 83 of Army Estimates as 66 officers and 162 other ranks. The establishment of the Tank Corps in India is given on page 12 of the Estimates as 100 officers and 1,164 other ranks. For what other corps does the school cater? What is the establishment of officers and other ranks in such corps for which instruction is required? What is the relation between the Royal Tank Corps School and the Mechanical Transport School at Chaklala? What is the total number who have passed through the school?

(2) The Committee would be glad of further information regarding the probable effect on this school of the policy now under consideration in regard to light tanks. They would also be glad to be informed what additional training is given to Tank Corps personnel beyond what they receive in England now and what additional training it is contemplated will be necessary if the light tank is adopted.

Army School of Signalling.

(1) How is the work at this school divided between the training of personnel of the Corps of Signals and personnel of other units? What is the establishment of instructors in units which the school is designed to maintain and approximately how long do such instructors, when trained, remain in their units?

(2) What is the annual output of the school?

(3) What is the nature of the course conducted at the school and what is the length of the course?

ARMY EDUCATION (*Estimates page 86*).

1913-14.

1922-23.

1931-32.

11,70,000

27,25,000

35,32,000

Supervising and Inspecting Staff.

(1) Why is it necessary to maintain command inspectors in addition to district inspectors? Could not the former be abolished and certain districts amalgamated so as to reduce the number of inspectors?

Garrison Schools, etc.

(2) The Inchcape Committee recommended that these educational facilities should be reviewed and limited. The Committee would like to know what has been done in this respect and what economies have or can be effected.

(3) What numbers of British troops are examined annually for various classes of certificate and what number qualify? Approximately what number of British troops coming to India already have third class or higher certificates?

(4) Is any education given to other than fighting troops?

(5) What are the educational and training grants shown on page 88 of Army Estimates and to whom are they given?

(6) What are the duties of the officers—do they do actual teaching or is this carried out by other ranks?

(7) As regards education of children, the Committee note that the cost is Rs. 165 per head per annum. What is the total number of schools, the average attendance at each and the normal size of a class?

(8) How far is use made of local schools for both British and Indian children?

(9) At what stations are Army schools maintained in which there exist schools for European or Anglo-Indian children?

(10) Why is it necessary to bring Army school mistresses from England? Would it be possible to employ locally trained teachers? What are the terms of service and average emoluments of a school mistress?

(11) Has any independent report been made upon the efficiency of this educational system?

(12) Generally why should the cost of education of the British soldier and his children fall upon the Indian taxpayer, considering that in the first case only partial and in the latter case practically no benefit accrues to India from this education ?

School of Education.

(13) The Committee understand that instructors trained here are mainly regimental instructors who do not belong to the A. E. C. What is the division of duties between instructors so trained and those on the establishment of the A. E. C. ? Could not numbers of A. E. C. be reduced by making greater use of regimental instructors ?

(14) Could not the Army School of Education be abolished or suspended in present financial circumstances, considering that a large number of students averaging about 1,000 a year have already been trained ? How is the annual out-turn made up ?

(15) What is the necessity for and the functions of the special wing ? Is this essential at the present time ? What is the average number of students ?

Royal Military College.

(16) Does this college educate boys for civil life also : if so, why should any charge in respect of such students fall upon the military estimates ?

K. G. R. I. M. Schools and Lawrence Schools.

(17) The Committee would like to know why these schools should be a charge on the military budget as it is understood that the Army receives little direct benefit therefrom. As regards the donation to Lovedale School, is this a perpetual commitment ?

(18) As regard the Kitchener College what is the out-turn, and the number at present being trained ? What is the place of this school in the general training system of the Indian Army ?

Miscellaneous.

(19) (a) What are the British Army School scholarships ?

(b) What are the duties of regimental munshies ?

(c) Have the amounts of language rewards been recently reviewed with the object of economy ?

(d) What is the justification for assistance to Unattached List ranks ? Why has there been so large an increase recently ?

(e) Why should students be sent to China and Japan for study purposes at the present time : to what other countries are they sent ?

(f) Why have the fees of examiners increased so much recently ?

SUPPLIES.—(*Estimates page 104 and page 234.*)

The main points are—

(1) The reduction in the cost of I. A. S. C. stores from Rs. 324 lakhs in 1929-30 to Rs. 249 lakhs for the current year of which the main items are as follows :—

							Lakhs.
Provisions .. .. .	..	..	..	..	..	..	149½
Grain and salt for animals .. .. .	..	..	..	..	..	..	36½
Petrol and lubricants .. .. .	..	..	..	..	..	..	10
Coal and firewood .. .. .	..	..	..	..	..	..	24
Oil for lighting .. .. .	..	..	..	..	..	..	4
Others .. .. .	..	..	..	..	..	..	5½

The total staff employed has increased as follows :—

	B. O.	B. O. R.	I. O.	Civilians.	Followers.	Total.
1914	105	315	..	561	3,033	4,014
1931	161	373	68	751	3,175	4,528

As regards this organisation, the Committee would like to know :—

1. What is the pay of officers and other ranks of the Supply Service as compared with that of the fighting services and what reasons exist for the difference ?
2. Why is it necessary to maintain so many British officers and other ranks in an organization of this kind ? Would it be possible to employ more economically Indian civilian (or military) personnel in their place ?
3. As regards the trans-Indus organization what savings in officers and men would result from the adoption of Cis-Indus methods ?
4. What are the respective strengths of the trans Indus and Cis-Indus organizations, and the strength of the troops they serve ?
5. Can regimental transport not deliver rations to troops within cantonments ?
6. What were the numbers of troops and animals to be fed and of the supply personnel in 1922 and 1931 respectively ? Has increased efficiency of method led to a reduction of supply personnel beyond a reduction proportionate to the numbers to be supplied ?
7. What are the duties of followers of various grades and how are such followers distributed ?
8. What steps are taken to advertise tenders ? In what cases are open tenders invited and in what cases are limited tenders called for ? For what classes of case is a list of approved contractors kept ?
9. What is the objection to the publication of accepted tenders as the Committee understand is done by the High Commissioner and the Indian Stores Department ?
10. How many tender forms were issued for contracts of 10,000 rupees and over in the last 3 years : how many tenders for such contracts were received ? In how many cases, in contracts of 10,000 rupees and over in the last 3 years, have tenders been allowed to be revised after acceptance ? In how many cases, in contracts of 10,000 rupees and over have tenders other than the lowest been accepted, what were the reasons for such acceptance, and what was the excess cost over the lowest tender ?
11. Who decides when the lowest tender is not accepted and what control is exercised by the Finance Department over such cases ? Would it not be desirable to settle all these and similar contract questions (in contracts over a definite financial limit) by means of a contract board consisting of *e.g.*, a military officer, a financial representative and a civilian (official or non-official).
12. The Committee would like a statement showing the figures at which the principal commodities of supplies were purchased in each month for the last 12 months and a comparable figure of the prevailing prices at the same periods at three or four representative military stations. What are the prevailing contract rates of these principal commodities and the market rates so far as they are readily available ?
13. What is the need for the control purchase system being so widely extended ? Is it really economical in cases of supplies which are generally locally available in quantity ? Would it not be preferable in such cases to restrict the Controller of Contracts to the function of settling contracts on f. o. r. terms, leaving it to District Commanders, etc., to draw on contractors as required ? Would it not pay in the long run to revert to this system for all areas except the Northern Command in view of the high cost of transport to other areas ? Has the cost of transport increased under the central purchase scheme ? What steps are taken in each case under the central purchase scheme to secure the benefit of fall in prices ?
14. How far is the Indian Stores Department utilized at present in the purchase of I. A. S. C. supplies and to what extent can further use be made of that department ?

15. Are any steps taken to work in collaboration with those who purchase for regimental requirements i.e., institutes ?
16. How many purchasing agents are there ; for what commodities are they employed and in what commands ? On what is their remuneration based ? Is it so fixed that the higher the price at which purchases are made the greater the remuneration ? What are the methods of checking and controlling the prices at which agents purchase or recommend purchase ? How is the price of *ghi* settled ?
18. Are all purchases in England made through the High Commissioner's office ?
19. What are the means by which local market rates are ascertained for purposes of comparison with central purchase rates ?
20. When articles are purchased from outside India (e.g., sugar) what procedure is adopted to ensure that there is true economy in the purchase of foreign goods ? Why is sugar purchased from Java ?
21. Have any attempts been made to develop local supplies of goods now imported ? What steps are taken to ascertain whether indigenous goods cannot be supplied ?
22. What steps are taken in the case of alternative articles of supply (e.g., coal and firewood) to ensure that the more economical article is purchased and used ?
23. How much of the 23 lakhs of rupees provided for local purchase of coal and firewood represents the purchase of coal and how much the purchase of firewood ? The Committee are not clear as to the position in regard to stocks.
24. They would like to know the volume of reserves of I. A. S. C. supplies and on what basis those are fixed. It appears that there is considerable expenditure on the turnover of provisions. Is this so ? What stocks are kept on unit charge ?
25. On what authority and by what methods are supplies condemned and declared obsolete ? What are the figures of losses in stock (a) in transit (b) from other causes, in the last three years ?
26. What is the system of control of the scale of issue of such articles as coal and firewood ?
27. What is the daily cost a head of the ration for British and Indian troops respectively ?
28. As regards the ration scheme what are the results in the case of selected units ? On what basis is the value of the ration fixed ? Would it be possible, economical and popular to introduce a system of a cash allowance in lieu of some portion of the ration at present supplied in kind ?
29. In the case of Indian units would it be advantageous to revert to the system by which they made their own feeding arrangements ? What would be the saving involved ?
30. Is there a daily messing allowance for British troops ? If so, has this been revised in accordance with the fall in prices and also with due regard to rates of exchange ? Is the rate of exchange taken into account in fixing any other allowance or entitlement ?
31. What special concessions in the way of fee or special scale of rations are given in certain areas such as Waziristan ? Are these still essential in present conditions ?
32. It appears that the Braithwaite Committee recommended certain reductions in both British troops' and Indian troops' rations. Has any action been taken on the recommendation and has the scale of ration since been examined ?

33. To what extent is the ration composed of locally purchased or purchasable articles ?
34. In the case of provisions and other supplies (I. A. S. C.) issued on payment how is the price calculated ? If in certain cases the payment is based on cost price *plus* a percentage, how is the percentage calculated ? Who are entitled to obtain provisions on payment ?
35. Have animal rations been revised since 1922 ? What is the amount of the ration issued to horses, mules and camels respectively and what is its cost ? To what extent is the ration composed of locally purchased or purchasable articles ? The Committee would like to have veterinary opinion on the adequacy of the ration ; is it in any way too liberal ?
36. Is the Military Food Laboratory at Kasauli essential under present conditions ? Does it publish an Administrative Report ? If so, the Committee would like to see a copy.

ANIMAL TRANSPORT AND MECHANICAL TRANSPORT.

(Estimates p. 110.)

The attention of the Committee was drawn to the following points :—

(1) In 1914 when animal transport was the only kind in existence the establishment was—

(a)	B. O.	B. O. R.	I. O.	Civilians.	I. O. R. and followers.
	82	213	66	90	24,257

and the number of animals, mules, bullocks and camels was 48,560.

Today when animal transport is required almost entirely for 1st line transport when troops are in contact with the enemy, the number is—

(b)	B. O.	B. O. R.	I. O.	Civilians.	I. O. R. etc.
	72	43	147	116	14,000
				No. of animals	18,000.

It will be observed that despite the decrease due to mechanisation the number of British officers has fallen by 10 only while the number of officers British and Indian has increased from 148 to 219. The fall in I. O. R. and followers is not proportionate to the fall in animals.

(2) There has been a very large increase in mechanical transport. The establishment is—

B. O.	B. O. R.	I. O.	Civilians.	I. O. R.
194	442	77	469	9,993

If the establishment at (1) (b) above, the present animal transport establishment, is added, the total establishment for transport is now—

B. O.	B. O. R.	I. O.	Civilians.	I. O. R. etc.
266	490	224	585	24,000

(3) The figures of cost are just as striking. The cost of transport, animal transport establishments *plus* hired transport in 1914 was Rs. 36 lakhs ; today it is as follows :—

						Lakhs.
Animal transport	..	..	..	..	..	43
Mechanical transport	..	..	..	..	..	83
Hired	..	..	..	..	..	15
						<hr/> 141 <hr/>

In addition there is the following provision for mechanical transport, stores and vehicles—

In India	13,20,000
Customs duty	9,00,000
In England	64,93,000
Building	18,00,000
Petrol & Oil	11,50,000
	<hr/>
	116,63,000

Further, the total value at cost prices of the vehicles in stock is over Rs. 4½ crores, the number being 4,000 while stocks in hand (spares) amount to Rs. 67 lakhs.

The Committee would like information on the following points :—

(i) What is the basis on which animal and mechanical transport are provided, and what are the contingencies which they are designed to meet. The same question arises in regard to all services and the Committee would be very glad if the Chief of the General Staff would as a preliminary to their further discussions explain the underlying policy.

(ii) The Committee understand that mechanical transport is very largely maintained for mobilization purposes and not on an economic peace basis. If this is so, having regard to present financial stringency, could not some risk be taken in regard to the mobilization position.

Can the military authorities say on what lines the British authorities work in regard to the provision of mechanical transport for mobilization purposes ?

(iii) Similarly, as regards first line transport, the Committee understand that for mobilization reasons it is maintained for Brigade and Divisional troops of 4 divisions on higher establishment. Could not a greater amount of transport be maintained on lower establishment having regard to present financial conditions ?

(iv) How much does a pack animal carry and how much a cart ? Apparently the weight and volume of first line transport has increased since 1914. If so, would it not be possible to revert to pack for first line transport and what would be the saving in such reversion ?

(v) Has the reduction in animal transport been commensurate with the increase in mechanical transport ?

(vi) Can a figure be given showing the total expenditure on animal, mechanical and hired transport in 1931 (including cost of fodder of animals, petrol, &c., and annual replacements) with a comparable figure for 1914.

(vii) What is the carrying capacity of animal transport and mechanical transport in Cwt. miles a day, and how does it compare with the similar carrying capacity of animal transport before the War ?

(viii) Can a diagram be prepared showing the stages covered by 1st, 2nd and 3rd line transport respectively ?

(ix) Can mules be requisitioned on mobilization ? If so can no reduction be made in peace establishments on this account ?

(x) For what purposes are camels used, and where are they used ?

(xi) What is the normal annual cost of replacement of animals ?

(xii) Is the programme of mechanization nearly complete ? Having regard to the present financial stringency, pending consideration of the question, could not all purchase of new vehicles be suspended ? How far are there outstanding commitments ?

(xiii) What is the normal annual cost of replacement of (a) the authorised establishment of mechanical transport vehicles and (b) of that part of the establishment which has already been completed ?

(xiv) How are the running expenses of Mechanical Transport calculated, i.e., are they calculated on a mileage allowance and if so is this only for vehicles in operation? (The Inchcape Committee recommended 1,000 miles). What is done with vehicles required only on mobilization, to what extent are they run during the year?

(xv) The Committee would like an analysis of vehicles by standard types. Are any types obsolete? By whom are changes in type authorized and how often are such changes made? How far are types used which have reliable agencies in India?

(xvi) Who decides whether a vehicle is obsolete or beyond further use? What are the lives of a car and lorry and how do they compare with the lives in England?

(xvii) What is the actual minimum establishment of Mechanical Transport required for peace work and how is it distributed by Commands? Why is a 6-wheeled section being retained at Kohat?

(xviii) The Inchcape Committee held that the establishment of mechanical transport of all kinds should not exceed 1,600; on what ground was this recommendation not accepted?

(xix) The Inchcape Committee recommended that Chaklala should be abandoned for M. T. purposes. Why was this not done?

(xx) Could not the work of the M. T. reception depot be done by the M. T. unit at Karachi or otherwise provided for?

(xxi) How many vehicles are completely overhauled annually and what is the average cost of overhaul including carriage to and from unit? What is the capacity of the shops and what the capacity of the mobile repair units? Is the capacity of these shops and units on a peace or war basis? Is the machinery in the shops adequate for the repair work undertaken and to what extent is it fully employed?

(xxii) The Committee would like further evidence regarding the capacity of civilian agencies for repair work and their use in cases where economy would be secured by such use.

(xxiii) Can the manufacturing resources in India not be developed to provide a reserve power of production and to set free reserves?

(xxiv) If it is necessary to provide M. T. on the basis now contemplated, would it be economical to institute an Army factory for the purpose?

(xxv) What are the qualifications of the British and Indian officers employed (a) with M. T. (b) in M. T. workshops?

(xxvi) Could not more Indian officers and artificers be employed in place of corresponding British ranks?

(xxvii) The Estimates (explanations p. 113) suggest that 1,000 drivers are trained every year: the note before the Committee gives the figure as 500. Which is correct? Has experience established that a 12 months' course is essential? What is the establishment to be maintained and what are the terms of enlistment? The cost (of training staff) works out apparently at 800 rupees a man trained. Would it be possible to carry out the training more economically through civil agencies?

(xxviii) Is not the staff of the Central Mechanical Stores Depot excessive? What is the staff with which they deal?

(xxix) The Committee would like to see one or two inspection reports rendered by the Inspectors of Mechanical Transport.

(xxx) Has expert advice, e.g., from the London General Omnibus Company in England ever been obtained as to the repair and overhaul system employed for M. T.

(xxxi) Are the increases in pay and establishment allowed for the Heavy Repair Shops in 1928-29 still necessary? Why were they given?

(xxxii) What is the necessity for a M. T. adviser in England?

(xxxiii) Are the roads in the probable sphere of operations sufficient to carry the establishment of transport provided?

(xxiv) How is the allotment of staff cars made and what control is exercised over their use? What control is exercised over the use of mechanical transport generally?

(xxv) At what stations is hired transport employed, on what occasions and of what type? To what extent is it used merely "to encourage contractors" in order to have that source of supply readily available on mobilization.

(xxvi) Could not all the military Launches be dispensed with forthwith?

TRANSPORTATION.

(Estimates p. 262.)

Rs.

The following are the principal items :—

(1) Embarkation staff	4,07,000
(2) Railway Transport staff and Rest Camps	1,18,000
(3) Travelling and outstation allowances	42,38,000
(4) Rail charges—annual relief movements, etc.	1,00,79,000
(5) Sea and Inland water charges	7,40,000
(6) Leave Passage concessions	20,00,000
(7) Hired transport	15,00,000
(8) Indian Troop Services (75,88,000) Contribution from H. M.'s Government (18,24,000)	57,64,000

The Committee would like further information on the following points :—

(1) Is it essential to maintain separate embarkation and Railway transport staff throughout the year instead of only during the busiest troping season? Could not the work be done by the staff at Bombay, etc., with additional local help during the busy season? How is the staff at present accommodated? Do the officers on the staff draw syce and forage allowances?

(2) What steps have been taken recently to reduce the expenditure on travelling and outstation allowances on transfer or on tour? What are the present rates and is it under contemplation to reduce them? Where allowance is given for baggage, is this charge paid on the actual amount incurred or is the full allowance drawn as a matter of course? Would not a system of railway passes be more economical?

(3) Could not the furlough passages for the Indian Army, which is a fairly new concession costing Rs. 9½ lakhs, be suspended in present circumstances?

(4) As regards relief movements, the Committee understand that there is a regular programme and that the total cost has been limited to Rs. 15 lakhs. In view of the financial crisis could not the relief programme be suspended for a year or two or in the alternative be so modified as to reduce the cost to at least one-third of the present cost? Is any economy possible by movement by road?

(5) What steps have been taken to minimise the movements of stores? Is not the system of central purchase largely responsible for the heavy expenditure on movements of stores?

(6) As regards the Army rolling stock, the Committee note that 75 cars, etc., cost 9½ per cent. on estimated value *plus* cost of haulage. What is the estimated total annual mileage run by these cars and how often are they used? What would be the comparative cost of requisitioning accommodation as required from time to time? The Committee would like to take evidence on this point.

(7) As regards saloons for high officials, what charges are made by the Railways and what is the total annual cost involved? Should these be used by officers other than Principal Staff Officers? In present circumstances why should this privilege and the privilege of special reserved accommodation generally not be materially reduced?

(8) The Committee note that in former times much of the movement of troops was carried out by road necessitating camping grounds. Are these still maintained on the main roads at Government expense? If so, should they not be disposed of?

(9) How is the payment for the Indian troop service regulated and on what basis is the contribution of His Majesty's Government fixed? How are the freight levels fixed? How many men are transported now annually and how many were transported before the war?

(10) What steps are taken to ensure that accommodation is used to its fullest capacity? Has there been any reduction in expenditure on "packet" passages owing to better control?

(11) What persons are entitled to passage by troop ship and to what classes of accommodation on packet ships are various categories of passengers entitled?

(12) Are indulgence passages now given and if so on what basis?

(13) To whom are Lee concession passages granted?

(14) What are the details of the miscellaneous charges of Rs. 3,90,000 sub-head A minor head (e) page 266 Army Estimates?

(15) What are the rules governing movements of British soldiers' families to the hills, what are the numbers and cost involved?

REMOUNTS.

(Estimates page 124.)

	1913-14.	1931-32.	Receipts.
Remount Depots	27,23,000	14,70,000	22,000
Cultivation Farms		5,90,000	
Horse Mule and Breeding operations		5,90,000	
Purchase of animals		24,77,000	2,50,000
		51,27,000	

Staff.—Before the war there were 18 Remount officers and 10 Veterinary officers. Now there are 30 Remount officers and 8 Veterinary officers. (In 1927 unseconded attached regimental officers were seconded at a cost of Rs. 2,32,000.) In addition there are the following provided in the Budget:—

1931.	1914.
26 British Soldiers	31
196 Remount Squadrons .. .. .	..
2,120 Stable and other establishment }	5,000
1,309 Clerical and other establishment }	

The following savings have recently been effected: Rs. 18,000 by reduction of 68 bullocks. The following are the figures of horses and mules, imported and local:—

	1927-28.	1930-31.	1931-32.
Draught Horses	727	1,050	607
Riding horses	1,098	1,525	1,963
Riding Horses (Indian)	827	1,050	..
Mules Artillery	233	313	230
Mules Light	150	60	..
A. T. Mules (Indian)	764	..	Not settled.

The Committee would like information on the following points:—

(1) What are the total annual requirements of horses and mules for the Army and from what sources are they obtained?

- (2) Why is there an increase in the number of riding horses to be purchased in 1931-32 ?
- (3) What are the recent reductions in each class of horses and mules attributable to mechanisation ?
- (4) What reserve of horses and mules is maintained and where are these reserve horses and mules kept ?
- (5) What steps are taken to encourage the breeding of riding horses and of mules in India and what have been the results ? What is the total cost of breeding operations to the State ? Could not draught horses be bred in India ?
- (6) What is the extent and value of the land grants made for breeding purposes ? What results have been obtained and what prices are paid for the animals so bred ?
- (7) In acting on the assumption that India cannot produce sufficient animals to meet annual replacements in the Army, is an excessive standard aimed at ? Was not a great deal achieved from indigenous sources during the war ?
- (8) What are the purchasing agencies for the purchase of horses ? What remuneration do they receive for the purchase of both imported and local horses ?
- (9) On what basis and by whom is the purchase price of animals fixed ?
- (10) The Committee note that six months acclimatization is regarded as necessary in the case of imported horses. What, in fact, is the average period of retention at present and what is the cost per head of acclimatization ? Could not this period be dispensed with in present conditions or materially reduced or, at any rate, could not a trial be made in certain units of posting unacclimatized horses to them ?
- (11) What is the wastage of horses during the time of acclimatization ?
- (12) Could imported horses be bought after they have been acclimatized and, if so, at what price ?
- (13) What has been the average cost to the State at the time of (a) purchase (b) issue for service of each class of animal imported, locally bred or locally purchased and what are the items which make up the difference between (a) and (b), e.g., transport, food and overhead charges.
- (14) Is there any delay between the landing of imported horses, and their purchase by Government and, if so, is this taken into account in the price ?
- (15) Could Remount depots be leased to contractors or civil agencies to manage and, if so, would this result in economies ?
- (16) Does the forage scale vary during the period of an animal's acclimatization and of its subsequent service ?
- (16A) What are the number and rank of officers who have to maintain chargers and what are the rules as regards the optional maintenance of chargers ? What has been the cost of chargers to the State and what are the prices charged to officers ?
- (17) Is it necessary to maintain a Directorate of Remounts at Army Headquarters as well as a Veterinary Directorate ? What are the duties of the Remount officers ?
- (18) What is the pay of the officers of the Remount Department and how does it compare with that of similar ranks in the fighting services ? Why is it necessary to second all officers for the Remount Department ?
- (19) Could economies be secured by the employment of retired pay officers and of reservists instead of serving officers and other ranks.
- (20) The Inchcape Committee noted that the Braithwaite Committee made proposals calculated to save Rs. 13 lakhs a year and recommended the adoption of their proposals. Have those proposals in fact been adopted and, if not, on what ground ?
- (21) The Inchcape Committee recommended the reduction of the war reserves by a system of registration in India of horses suitable for military purposes. Has this been done ?

(22) What is the system of calculating annual wastage of the various classes ? At what age are horses and mules cast and by what authority ? Could not the age be increased at least in certain units ?

(23) What is done with cast animals ? What is the proportion between the original cost price and the price realised on casting ? What is the average period of retention of an animal in the service ?

(24) Having regard to the present financial stringency, the Committee feel that it may be impossible to afford an organisation on so expensive a scale as the Remount Department at present is. They would like to know what reductions could be effected to save, say, 20 per cent. of the total present cost, namely, Rs. 10 lakhs.

(25) The Committee would like a statement showing the total establishment of animals in the Army during the past five years and the total expenditure during each of those years on the Remount and Veterinary establishments respectively.

VETERINARY SERVICES.

(Estimates page 128.)

1. On page 23 of Q. M. G.'s Memorandum number 4 the peace establishment of the Army Veterinary Services for the years 1913-14, 1920-21 and 1930-31 is given as follows :—

	1913-14.	1920-21.	1930-31.
British Officers.. ..	64	81	66
British Other Ranks	23	23	4
Vet. Asst. Surgeons .. ..	..	219	132
Clerks	29	47	54
Indian Other Ranks .. ..	..	1,470	542+222 reservists.
Followers Class I .. ..	..	119	87
Menials	4	2	3

The Committee would like to know how these figures are divided between administrative and executive posts, remounts (if included) and leave reserve.

2. What has been the total animal establishment for the past five years, distinguishing between animals in fighting and transport units and those in establishments, etc., and what the cost and numbers of the establishment for veterinary services during each of those years ?

3. On what lines is the establishment for veterinary services worked out ? As regards expansion on the outbreak of war, what reserves are there of officers and men ? What are the terms of enlistment of men ?

4. What is the total number of veterinary hospitals, what their total capacity, the average number of sick animals in hospital and the maximum number at any one time ? At what stations are these hospitals and what is the total number of animals at these stations ?

5. Would it not be possible and economical to increase the number of Indian officers in substitution of British officers or to employ civil agencies for animals attached to establishments such as dairy farms ?

6. What are the technical qualifications of the British officers ? On what terms are they employed ? How many were brought from overseas, and how many engaged in India ?

7. What is the necessity for the veterinary schools at Ambala and Poona in view of the fact that there are veterinary schools at Bombay and Lahore ?

8. Why should fees and allowances be paid in respect of military students under training at Lahore ? What is the number of students under training ? How are the students chosen, and why is it not possible to recruit qualified civilians direct for appointment as Veterinary Assistant Surgeon ?

9. Is it not possible by taking some slight risks to reduce the cost of this department ?

MEDICAL SERVICES AND STORE DEPOTS.

(Estimates pages 136, 138 and 178.)

The main items of expenditure in the current year's budget are—

	Rs.
Medical Services (p. 138)	1,48,09,000
Furlough allowances and Overseas pay in England (p. 170)	15,50,000
Medical Colleges and Schools (p. 136)	2,97,000
Medical Stores Depot (p. 178)	29,33,000
Purchases in England (p. 193)	13,50,000
Medical Directorate at Army Headquarters (p. 208) ..	5,14,000
M. E. S. charges for hospitals work in progress and new works (p. 368)	12,50,000

Against these charges the main receipts are as follows :—

Hospital revenues (p. 174)	3,20,000
Receipts for medical stores (p. 194)	34,03,000

The above is not a complete statement of the actual cost of the medical services as it does not include charges for—

- medical instruments and supplies to hospitals (Rs. 15 lakhs).
- provision: and diet for patients.
- free rations to staff.
- clothing for patients and staff.

Cost accounts are not now maintained on this basis but the total for these heads in 1922-23 was Rs. 1½ crores and despite the fall in prices must be a considerable sum today.

2. The staff is as follows (there is some discrepancy between the figures in the Inchcape Report and those now given by the medical authorities in their note):—

	1913-14.	1922-23.	1931-32.
R. A. M. C. officers	333	332	290
I. M.S. officers	273	495	397
B. O. R. .. .. .	..	450	460
Assistant Surgeons	436	416	365
Sub-Assistant Surgeons	731	739	742
I. H. C.	6,512	12,065	} 9,413
I. H. C. Reserve .. .. .	..	..
Dental Officers	7	18	26
Nursing Sisters	91	267	279

3. As regards establishment charges, it is stated that the increase in cost has been from about Rs. 80 lakhs in 1913-14 to 1,60 lakhs at the present day. The increase of 80 lakhs is mainly due to increases in the general scales of pay and allowances and the increases in staff.

4. The Committee are particularly impressed by the heavy increase in expenditure on the Medical Services since 1914. It has been suggested that the findings of the Mesopotamia Enquiry have contributed largely to this increase and, if so, it is necessary to keep in mind that, as the Committee understand the position, the chief purpose of the Army in India is not participation in foreign wars, but the defence of India against foreign

aggression and the maintenance of internal peace. While the results of improved medical supervision are fully recognised, the Committee feel on the evidence at present before them that in the present financial crisis the country cannot afford such high standards and that the medical services must share in the general retrenchment of expenditure. They would therefore ask the medical authorities to consider whether it is not possible to effect a considerable and early reduction in the present scale of expenditure and in particular to examine the points suggested in the following questions :—

- (1) Would it not be possible to substitute for some portion of the R. A. M. C. and I. M. S. officers of the Assistant Surgeon class to perform the duties of the former ? Would it be possible to effect economy by substituting a smaller number of the Assistant Surgeon class for a larger number of the Sub-Assistant class, the Assistant Surgeon class being re-modelled if necessary ?
- (2) How many of the officers now serving are on a temporary basis and what are the usual terms of such service ? If the temporary officers are not included what are their numbers ?
- (3) As regards British Other Ranks costing about Rs. 7 lakhs, who did not exist in 1913-14 as a separate branch, should not these be replaced by a cheaper service of Indian (including Anglo-Indian) origin ? What does the training of these B. O. Rs. cost ?
- (4) Is the number of officers fixed in a definite proportion to the number of troops ? If so, what is the corresponding percentage in the United Kingdom ?
- (5) Why is it necessary to employ such a large number of European nursing sisters ? Could not these be replaced at a considerable saving by nurses of Indian including Anglo-Indian origin and training ? What are the pay and allowances of European Sisters and what other emoluments or concessions do they enjoy.
- (6) What is the financial effect of the Lee Concession as regards (a) overseas pay and (b) sea passage allowances in the case of the medical services.
- (7) The Inchcape Committee noted that British Hospitals were then not used to a quarter of their capacity and Indian hospitals only to about one-third of their capacity. They recommended closing down hospitals whose retention has not been justified and a substantial reduction in the number of beds. It would appear that some reduction has been effected but the Committee are not satisfied on present evidence that sufficient has been done in these respects and desire to be furnished with further information in reply to the detailed questions in Annexure A.
- (8) Is any estimate possible of the present total expenditure on provisions, clothing and diets ? How is the scale of bedding and clothing fixed for each hospital, e.g., is full equipment maintained for each bed ? What steps can be taken to reduce this expenditure by adoption of lower scales of diet and equipment ?
- (9) As regards the Indian hospital corps, what rates of pay and concessions are given as compared with corresponding ranks in the fighting services and if the rates are higher, what is the reason ?
- (10) As regards hospital recoveries, what is the scale of charges made and could not these be increased ? Are special recoveries made for treatment by specialists (see question 13). Under what conditions do (a) officers, (b) other ranks, (c) officers' families, (d) the families of other ranks, (e) retired officers, get free medical attendance and free hospital accommodation ?
- (11) As regards Dental Officers, what are the present numbers and why has there been so large an increase since the Inchcape Committee ? (On page 139 of Army Estimates the numbers are given as 35 ; on Statement B before the Committee as 26.) Are any of these officers Indians ? Is this expenditure on this staff lower than the cost of contract work by civilian dentists ?

- (12) The Committee note that about Rs. 5 lakhs is the estimated expenditure on preparation for war over and above peace requirements. In the present times should not some further risk be undertaken and this expenditure be eliminated ? On what basis is the estimate of 5 lakhs arrived at ?
- (13) What allowances are paid to specialist officers over and above their regular pay ? The Committee note that 91 such officers are employed. What duties do they perform ?
- (14) The Committee note that 45 officers are included in the organisation of the Pathological and Hygiene services. Do these officers receive special rates of pay and could not economy be effected by reduction of numbers by combination of areas or of duties. How far are the results of these officers' work and research made available for the use of the country as a whole ?
- (15) In present times cannot a larger risk be taken by reduction of the number and equipment of field medical units ? What is the number of motor ambulances in use and in reserve ? Cannot a saving be made by arranging for improvisation in war ?
- (16) The Committee note that the value of medical stores held amounted to nearly Rs. 36 lakhs in 1930. Does this include both working stocks and mobilisation reserves and, if so, on what basis ? In the present times could not the total amount of stocks be materially reduced.
- (17) As regards Medical Colleges and Schools, the Committee observe that it may be possible to recruit Sub-Assistant Surgeons directly. They would like to know whether steps will be taken to carry this into effect and what will be the ultimate saving. They do not understand why the same policy should not apply to Military Assistant Surgeons.
- (18) As regards medical stores depots, the Committee would like to know whether it would not be possible to abolish one or more of the depots and thus save overhead expenses. They also desire to be furnished with further information asked for in Annexure B.
- (19) The Committee note that the depots apparently show a very small margin of profit. Should not prices to non-military customers be increased to give a better return ? Do the railways use the depots for their full requirements ? Is expansion of business possible in other directions ?
- (20) As regards the I. H. C. the Committee note that it is proposed to increase the rates of pay and would like to know what this is likely to cost and whether such further expenditure should not be avoided at the present time. As regards the reservists, could not economy be secured by reducing the periods of training and would it not be possible by increasing the reserve to reduce the number of serving soldiers ? Could more use be made of V. A. D. and similar civilian organizations ?
- (21) They observe that Rs. 12½ lakhs are proposed for expenditure on hospital buildings. They would like to know whether all further building could not cease until financial conditions improve. In this connection they would like to know whether there is a settled programme and, if so what has been accomplished and what remains to be done.
- (22) Has effect been given to the scheme for increase of pay of Assistant Surgeons (page 139 Army Budget) ?
- (23) What is the percentage of expenditure on medical services in the Indian Army compared with that of the French Army in North Africa and the British Army in Egypt ? What is the cost of the medical services in France and Italy ?

ANNEXURE A.

The Committee would like to have the following details for each military hospital at the headquarters of Districts and Brigades :—

(1) The number of (a) fighting troops, (b) non-fighting troops and (c) other persons ordinarily served by each hospital and the lowest and highest number during each of the periods—

1st half of 1930,

2nd half of 1930,

1st half of 1931.

(2) The number of patients treated at each hospital (in-patients and out-patients if any separately) showing the highest and the lowest number on any days in the years 1928, 1929, 1930 and 1st half of 1931 and the daily average for each year and each quarter.

(3) The number of beds provided in each hospital.

[N.B.—In the case of (1), (2) and (3) officers, men and families should be shown separately.]

(4) The sanctioned strength of staff and existing strength for each hospital under the following heads :—

(i) Officers.

(ii) Assistant Surgeons and Sub-Assistant Surgeons.

(iii) Matrons and Nurses.

(iv) Nursing Orderlies.

In the case of officers, distinction should be made between European and Indian officers and in others between Europeans, Anglo-Indians and Indians.

(5) The total annual cost of each hospital for the last 3 years under the following heads if possible :—

(a) Establishment—(1) Officers, (2) Others and (3) Menials.

(b) Equipment, .g., surgical instruments, etc.

(c) Medicines, drugs, bandages, etc.

(d) Diet of (1) patients and (2) establishment.

(e) Clothing.

(f) Cost of dispensaries attached to units.

(6) The original cost of discarded articles disposed of and the amount realised.

What agency is employed for discarding medical stores as unserviceable. Are such stores disposed of locally or sent considerable distances to central depots before disposal ?

(7) In each case what economies could, in the opinion of the principal officer in charge, be effected ? Have the officers in charge of hospital sufficient financial powers to avoid unnecessary correspondence ? Could the officer in charge of the hospital be relieved of any administrative duties ?

(8) Where British and Indian troops are stationed together, how far are amalgamations of hospitals already in force. At what stations are there still separate hospitals : to what extent can amalgamation be effected at such stations.

ANNEXURE B.

MEDICAL STORES DEPOTS.

(1) What are the methods of purchase of (a) local (b) imported stores ?

To what extent can instruments be manufactured at Medical Store Depots ?

(2) Are open tenders invited for stores and by whom are tender forms issued and accepted ?

(3) What is the volume of receipts and issues in a year at each depot ?

(4) What is the proportionate value of imported and local stores, respectively, purchased in a year and the proportionate value of departmentally manufactured stores ?

(5) What is the proportion of issues to military and civil consumers respectively ?

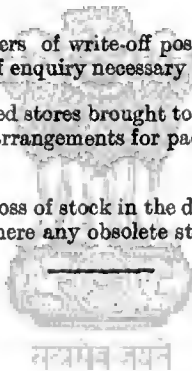
(6) How are issue prices fixed for (a) military (b) non-military consumers ?

(7) In calculating requirements for purchases is regard paid to the quantity or to the cost of previous annual issues ?

(8) What are the limits of powers of write-off possessed by the O. C. Medical Stores depot ? In what cases is a Board of enquiry necessary before write-off ?

(9) By what agency are imported stores brought to India ? Could economy be effected in sea freight of such stores by arrangements for packing and despatch in larger quantities ?

(10) What has been the total loss of stock in the depots during the last three years by deterioration or otherwise ? Are there any obsolete stores now in stock ?



MILITARY ACCOUNTS OFFICES.

(Estimates page 144.)

The Committee are greatly impressed by the large increase in numbers and expenditure since 1914 and note that officers of the subordinate service have increased from 25 to 101 while accountants and clerks have increased from 1,956 to 4,483. The total cost has also risen from Rs. 30 lakhs to over 1,10 lakhs at the present day.

They understand that of the total increase the following are due to additional work transferred to the Department since 1913-14 :—

							Lakhs.
(a) M. E. S.	..	..	..	..	..	..	17
Factories	..	..	..	..	..	..
R. I. M.	..	..	..	..	..	..
R. A. F.	..	..	..	..	..	..
(b) Unit pay accounts	..	..	..	..	..	..	11
(c) Priced store accounts	..	..	..	..	..	..	9
Total							37

The Committee would like information on the following points—

(1) How far are the additions noted at (a) or (b) above merely a transfer of existing work and establishment and how far has additional work been undertaken? Would there be any saving by reversion to the old methods? Can an estimate be given of the cost involved in the old system under which the M. E. S., Factories and R. I. M. respectively were kept, and if increased expenditure is involved in the present system is there a commensurate increase in efficiency?

(2) Has there been any decrease in R. I. M. activities since the accounts were taken over. If so, has there been any corresponding decrease in the accounts and accountant staff?

(3) Would a reduction in the volume of military works result in a corresponding reduction in accounts staff?

(4) As regards unit accountants could economy be effected by centralisation? The Committee would like evidence on the merits of the present system from the military authorities, and as to how it compares with the old system as regards economy and efficiency.

(5) What saving approximately would be effected by the abolition of priced store accounts allowing for the minimum additional work necessary in connection with audit?

(6) Could a saving be secured by simplification of factory accounts?

(7) The Committee would like to know the extent of audit in the most important classes of expenditure. They would like to be informed of the audit processes in connection with—

- (a) Officers pay bills.
- (b) Pay bills of men of regimental units.
- (c) Travelling allowance Bills.
- (d) An item of local purchase.
- (e) An item of central purchase.

Have there been changes in the method of audit since 1914, and if so have the changes resulted in increase of staff? If the 1914 method was more economical and reasonably efficient what are the grounds for not reverting to it?

(8) In the case of interdepartmental adjustment such as between the Military Accounts and the Railways, or between the Military Accounts and Post and Telegraph Services what degree of examination of claims takes place and could this be materially relaxed?

(9) To what extent is information required from the Accounts Department for purposes of control and classification, reviewed from time to time with a view to considering with the branches concerned the possibility of simplification and reduction of work ?

(10) Are any further amalgamations of offices possible in addition to those proposed : in particular is expenditure on separate Marine and R. A. F. offices justifiable ?

(11) To what extent has outside expert advice been taken regarding the introduction of machines and other labour saving devices into accounts offices ?

(12) Why have Equipment allowance schemes not worked satisfactorily ? Is the failure in any way due to the cost of accounting involved ?

(13) The Committee would like further information regarding the audit of the Army List.

(14) Is the disciplinary action taken in cases of financial irregularity sufficiently deterrent to prevent a recurrence of such irregularity ?

(15) Are the present rates of pay of the Accounts staff, including those of subordinate officers and of accountants, fully justified by the work done and in comparison with the rates paid in similar civil employment—e.g., in banks and firms of standing ?

(16) Why do Military Officers in the Accounts Department draw 200 rupees a month in addition to ordinary rates of pay ?

(17) Why is duty allowance paid to various classes ?

(18) What is the distinction between local and compensatory allowances ? Can both allowances be drawn at one time by the same individual ? How are the allowances fixed ?

(19) Why should officers in the Military Accounts Department receive higher rates of pay than similar officers in the Civil Accounts Department on account of their liability to military service so long as that liability is not enforced ?

(20) How many officers of non-Asiatic domicile have been appointed since 1913 by direct recruitment and how many of Asiatic domicile, and what is the pay of the former compared with that of the latter ?

(21) Out of the total number of officers promoted how many get overseas pay ?

(22) How many Sea passages have in fact been granted since 1923 to officers promoted to the superior service ?

(23) What is the financial effect of extending the Lee concessions to the Military Accounts Department ?

(24) What is the standard of the Subordinate Accounts Service Examination ? Can the general standard of qualifications in the service be raised with resultant increase in efficiency and consequential economy ?

(25) How are the scales of work laid down for the clerks in the Department, arrived at ?

(26) What are the working hours in the Military Accounts Department ? Could they be increased ? Is there a system of overtime in the Department ?

(27) What is the average annual intake of recruits into the Department ?

(28) What would be the effect on the work of the Department of a 10% reduction in all ranks of staff, and what the effect of a reduction in expenditure of Rs. 20 lakhs ?

(29) The Committee agree with the suggestion regarding leave reserve in paragraph (2) of Appendix VI of the Memorandum on Military Accounts and think it is a matter in which early action should be taken.

MILITARY FINANCE.

The Committee at their meeting on the morning of the 14th July 1931 considered the Memoranda on Military Finance and part of the memoranda on Army accounts. They decided on the following questionnaire regarding Military Finance :—

(1) Why should not Military Accounts be under the control of the Auditor General on the same lines as civil accounts ?

(2) What is the staff of the Financial Adviser and what are the rates of pay ? What economies in staff has the Financial Adviser proposed ?

(3) Would it not strengthen financial control if greater continuity of office were secured in the case of the Financial Adviser ?

(4) Why is it necessary that the Deputy Financial Advisers should have the rank of Deputy Secretary ? Would it not suffice to have Assistant Financial Advisers in place of the present Deputy Financial Advisers ?

(5) Apart from the control of new expenditure, what real effective control is exercised by the Financial Adviser and his officers over the day to day expenditure on standing charges ?

(6) The Committee note that the number of references to the Financial Adviser's Department amounts to 1,300 a week. They would like to know whether this number could not be substantially reduced by giving larger powers to Controllers and others.

(7) Could not regulations be greatly simplified with the result of decrease in work ?

(8) Could not economy be secured by greater decentralization and by the grant of increased financial powers to local military authorities down to unit commanders ?

(9) How far has increased expenditure resulted from policies dictated by His Majesty's Government ?

(10) How far are policies once accepted reviewed by Government from time to time ?

(11) What actual control is exercised by the Governor General in Council over military expenditure ?

(12) How far has the policy of bringing the Army on to modern lines been modified to meet the existing financial stringency and how far can it be so modified ?

(13) Has any attempt been made to revise the contract budget figure taking into account the standard of efficiency already attained and the present financial stringency ?

(14) The Committee would like to have the views of the military authorities on the merits and demerits of a stabilized budget.

(15) Could the principle of a stabilized budget be extended to lower formations down to and including units ?

(16) Is the form of Army estimates capable of simplification without reducing the usefulness of the information given and without such alteration as would invalidate comparison with previous years ?

ECCLESIASTICAL.

(*Estimates page 154.*)

(1) What are the approximate numbers of all the various denominations of British troops stationed in India ?

(2) Are the appointments of the R. C., Wesleyan and United Board Chaplains full time ? Do they also minister to the civil population ?

(3) On what basis have the stipends of the various ministers of the three denominations referred to above been fixed ?

(4) What is the justification for payment of a composition fee for sittings in addition to capitation payments and permanent salaries ?

(5) What limitation is imposed on the travelling performed by chaplains ?

CANTONMENTS.

(*Estimates page 156.*)

1. What are the arrangements for supply of water in cantonments ? How is the cost calculated ? Who are entitled consumers and with whom does the decision as to entitle

ment rest? What rates are charged to non-entitled consumers? What steps are taken by meter or otherwise to regulate the waste of water?

(2) Why are the rates of taxation in cantonments a matter for the decision of Local Governments when the cost of cantonments falls on military estimates?

(3) Are the figures contained in the note submitted to the Committee, relating to the rate of taxation in cantonments and municipalities respectively, based on the incidence of taxation per head or on the actual rate of taxation?

(4) What are the heads of taxation in a cantonment and how do rates under each head compare with those in force in neighbouring municipalities?

(5) Is not the standard of administration in cantonments generally speaking considerably higher than in ordinary municipalities? If so, what is the justification for charging in any case a lower rate of tax than the neighbouring municipalities impose? Approximately what additional revenue would be obtained if all the taxes in cantonments, which are at present lower than those of the neighbouring municipalities, were brought up to the municipalities, rate?

(6) In what cases, if any, has a Local Government refused to sanction the rate of taxation recommended by a Cantonment Board?

(7) What is the total cost of cantonments to the Army under various heads?

(8) The Committee would like to see the budget estimates of three representative cantonments, e.g., Rawalpindi, Poona and Allahabad or Karachi.

(9) The Committee understand that a great deal of the revenue of cantonments is derived from payments made from Army estimates for conservancy and other services. On what are these payments based?

(10) What is the income from land composed of? Is it a recurring receipt?

(11) What are the duties of the Military Estate Officers? What are their rates of pay and other emoluments and what is their total cost?

(12) What are the rates of pay for executive and inspecting officers? What is the revenue, apart from Government grants, of the cantonments in which they are serving? Could not a more economical civil agency be employed or retired officers?

(13) What are the duties of inspecting officers and why is it necessary to appoint assistants who act for them while they are away on inspection? If administrative duties are involved, why should such duties not be entrusted to Command staffs?

(14) Why cannot the position of President of the Secunderabad Cantonment be undertaken by a more junior or a retired officer? The Committee will ask that no decision should be taken on extending this kind of arrangement elsewhere until they have had an opportunity of expressing an opinion on the subject.

(15) As regards the Director at Headquarters, cannot cantonment administration be finally delegated to Commands?

(16) What are the pay and emoluments of the Director at headquarters?

INSPECTION (page 158 Army Estimates).

(1) What is the total staff, by grades, employed under the various Inspectors of Stores and Clothing, Warlike Stores and Chemicals? What are the rates of pay and total cost of each inspectorate?

(2) To what extent are Indians employed in various grades in these departments, and what programme of extension of such employment is in contemplation?

(3) What is the percentage of inspection of (a) stores produced in Army Factories (b) stores purchased from the trade? Is no reduction in the percentage of inspection, possible?

(4) In the case of stores produced in Army Factories, what is the extent of inspection in the factories by factory staff? Can no reduction be made in the total amount of in

specification of stores produced in Army Factories at present carried out by the factory staff and the inspection staff ?

(5) What is the percentage of rejections (in representative cases) of articles produced by the factories and purchased from the trade respectively ?

(6) Who inspects articles supplied (a) through the Indian Stores Department (b) through the Stores Department in London ? If there is any Army inspection what is the percentage of rejection in such cases ?

(7) Would it be possible and economical to employ the Inspectors of the Indian Stores Department for the inspection of all army stores except lethal weapons ? In any case would this not be possible at places where inspectorates of the Indian Stores Department already exist, e.g., Calcutta ? What co-ordination now exists between the inspectorates of the two departments and to what extent can it be extended with economy ?

(8) The Committee observe that the cost of Ordnance Inspection shown on page 158 of Army Estimates is over Rs. 15 lakhs. This appears to be high : is no reduction possible ? How far is it justified by results ?

(9) As regards inspection of stores in the hands of troops, is the inspection hundred per cent. annually and is it performed by the Inspection Department, the I. O. D. or both ? How in the case of small arms does this compare with the inspection carried out in England of small arms in possession of British units ? To what extent can inspection of stores in the hands of troops be minimized ?

(10) Is there any Inspection staff employed by the Railways to deal with stores of a similar character to any of those purchased by the Army ? If so, what co-ordination with that staff is possible ?

(11) Why should not the staff of the Inspection departments be completely demilitarized ?

MISCELLANEOUS SERVICES UNDER THE ADJUTANT GENERAL.

Cost of anti-malarial measures. (Page 166, *Army Estimates*).—Do these measures extend to houses in cantonments or are they confined to barracks, hospitals, etc ? What is the programme of new works ?

Rest Camps, Rs. 29,000. (Page 166, *Army Estimates*).—(1) It is noted that three British soldiers are employed. Could their places be taken by Indian soldiers or pensioners with economy ?

(2) Are these camps open throughout the year : in what months are they used ?

(3) Why are so many followers required and what are their duties ? How many are there in each camp ?

Miscellaneous Donations to Institutions, etc. (Page 166, *Army Estimates*).—What is the basis of these payments ? Is no reduction possible ?

Hill Depots and Sanatoria Rs. 1,84,000. (Page 162, *Army Estimates*).—(1) Can an estimate be given of the total annual cost of the policy of maintaining these institutions including, e.g., transportation conservancy, etc. ? Would it not be possible to modify the policy with a view to economy ?

(2) Under what system are men and families sent to the hills and who are entitled to the concession ?

(3) Is full use made of Army transport for the purpose ?

(4) Do the personnel of these establishments remain on regimental strength ? If not, could not pensioners be employed with advantage in lieu of serving soldiers ?

Recruiting staff Rs. 3,39,800. (Page 160, *Army Estimates*).—(1) As regards seconded officers, would it not be economical to employ Indian or retired officers ? If serving British officers continue to be employed, could not officers of lesser rank be employed economically ? As regards other ranks, if these are not borne on regimental establishments, would it not be economical to employ pensioners ?

(2) Would there be economy in reverting to a policy of recruiting through regiments ?

(3) Would there be economy in amalgamating any of the centres, e.g., Delhi and Ajmere ?

(4) What is the system of recruiting Gurkha regiments ? Could not recruits be raised locally from the sons of serving Gurkha soldiers ?

(5) Are any rewards paid to recruiters ? If so, at what rates ?

(6) What is the total annual intake of recruits ? Is there any difficulty in obtaining the requisite numbers ?

(7) What is the cost of recruiting staff for each recruit raised ?

(8) What payments are made to men before final attestation and what is the average time taken from the time when a recruit offers himself to the date of final attestation ?

(9) What is the percentage of immediate rejections of recruits who offer themselves ? What is the percentage of rejections of those provisionally accepted but rejected before final attestation ?

Prisons and Detention Barracks Rs. 1,29,970. (Page 164, Army Estimates).—(1) What is (a) the daily average (b) the maximum number of men confined in each prison and detention barrack during the last three years and what the accommodation and, if possible, what is the cost a head for each prisoner or soldier detained ?

(2) Are the detention barracks in Burma under construction ?

(3) What limit of sentence, if any, determined whether a soldier sentenced to detention shall be sent to a detention barrack ? Could not that limit be extended ?

(4) Why has the number of staff increased from 15 to 34 as shown on page 164 of Army Estimates ?

(5) What is the military rank of the Director ? What are his functions ? Would it not be economical to employ a retired officer ?

(6) Would it be possible and economical to employ pensioners instead of serving soldiers ?

(7) Could not the policy of replacing British soldiers by Indian clerks be carried further ?

(8) Can any steps be taken to secure more employment for prisoners on such work as sack mending, etc. ? Is full use made by Army departments, e.g., I. A. S. C. of such work as prisoners can produce ?

Vocational Training. (Page 166, Army Estimates).—(1) Is it essential to maintain two full time officers on these duties : could not retired officers if necessary be economically employed ?

(2) What is the justification for India bearing the cost of training from which in the end she does not derive benefit ? Is there any vocational training for Indian troops ?

(3) Are the men sent on vocational training to England replaced in India during their period of service ?

(4) How many men given vocational training (a) in England, (b) in India take up civil employment connected with the Army in India subsequently ?

(5) What steps are taken to ensure that adequate training is derived by soldiers attached to private firms ?

Followers.—(1) What is the total number of followers attached to (1) fighting units (2) ancillary units and establishments.

(2) It is stated that among the followers are tailors and hootmakers. On what scale are these provided ? Are they provided for British units ? What are their total numbers ?

(3) What are the functions of hootmakers and shoemakers in peace ? The ordinary repair work of men's clothes and shoes is presumably paid for out of clothing allowance. If so, are the regimental tailors and shoemakers employed at all on this work, and do they receive pay from the men ? If there is work in peace of the tailoring, shoe-making variety to be done at the public expense, could it not be more cheaply done by contract or outside bootmakers and tailors, or alternatively could not tailors and hootmakers be collected, at large stations, into Ordnance Shops, with economies resultant from centralisation ?

(4) If tailors and bootmakers are retained in peace solely because they are wanted on emergency, would it not be possible to provide for them either (a) on a reserve basis, or (b) by retaining only sufficient for the units required to "mobilize" at once? And in that case, as the units would not always be the same, could the necessary numbers be kept in peace in Ordnance Workshops and despatched as required to units, or alternatively be ordnance personnel attached to particular units in peace and transferred from one unit to another as the units passed from the category of frontier to security troops.

(5) Are dhobies included among followers? If so, what are their functions?

(6) Is it necessary to have blacksmiths and saddlers attached to individual units? Could they not be centralised at least in the larger stations?

(7) Has any conclusion as to the total number of followers yet been reached? Is it impossible to obtain water carriers on mobilization? Is any other class of follower maintained in the same way mainly for mobilization purposes?

(8) Are any emoluments (e.g., clothing) drawn by followers other than pay and ration allowances?

(9) In actual practice are followers fed free by units in addition to drawing an allowance for ration?

(10) Are any reserve stocks maintained in order to supply followers on mobilization?

PRIZES FOR SKILL AT ARMS AND CONTRACT AND MISCELLANEOUS ALLOWANCES,

(Page 30—*Army Estimates*).

Charpoy Allowances .. ..	..	..	Could not this be rolled up with kit allowance? How much is it?
Maintenance of typewriters .. ..	..	..	What does this cover? And what is the amount?
Mess Allowance .. ..	..	..	Do. do.
Band Allowance .. ..	..	..	Do. do.
Allowance for cooking and crockery, Extra Mess Allowance.	..	..	Do. do.
Allowance to supplement lead Fund .. ..	..	..	What does this cover? And what is the amount?
The various stationery allowances .. ..	..	..	Are these all for different units? Or are any applicable to the same unit? If the latter, why separate allowances?
Bonus for teaching a trade to a soldier .. ..	..	..	To whom is this given? Is it part of the vocational training scheme? And does the soldier contribute?
Fees for defence of soldiers tried in Civil Courts.	..	..	Under what circumstances are these allowed?
School fees to N. C. O.'s children .. ..	..	..	What are these and in what circumstances are they granted?
Charges on account of making, completing and fitting clothing.	..	..	What clothing is made regimentally? What fitting and completing charges are involved and to whom are they paid?
Maintenance of soldiers, gardens .. ..	..	..	What is this?
Maintenance to insanes .. ..	..	..	Does this continue after discharge?
Packing charges of Reservists kit .. ..	..	..	What is this?

Generally it would be desirable if some verbal evidence could be given on all these items of miscellaneous expenditure. Have the rates been considered in the light of decreased

prices ? In view of the heavy total to which these individual allowances and other items of expenditure amount, the Committee consider that each should be individually reviewed with the object of effecting a substantial reduction in total.

Reservists.—Would it be possible to reduce the period of training for either class of reservists (it is noted that the obligation to undergo periodical training is one of the causes of the unpopularity of the reserve).

Reserve of Officers.—What are the numbers by arms of the service ? What is the retaining fee and during the last five years on how many occasions have officers of the Reserve of Officers been called up for service ? Could this reserve not be reduced ?

What is the basis of the grants to institutions, etc., under Minor Head (1) Miscellaneous ? Is no reduction possible ?

KIT AND CLOTHING ALLOWANCE.

1. What is the scale of clothing and necessaries for a British Infantry soldier ? What lives are assigned to the various articles for British and Infantry soldiers respectively ?

2. Do reasons still exist for not making a percentage cut in the case of British soldiers' allowance such as was made in that of Indian soldiers ?

3. The Committee would like to have rather fuller information than the note contains about the financial arrangements regarding the supply of khaki drill clothing to British troops on posting to India ?

4. As regards the mufti allowance granted to Indian soldiers, why should the State make any provision for mufti clothing ? If it must be retained, would it be more economical to issue in kind and would the manufacture of such mufti be of advantage to the economical working of the clothing factory and would the provision of foot-wear in kind also ease the position as regards the contract for foot-wear ? When was the allowance last revised and reduced ? How is it calculated ?

5. Are steps taken periodically to estimate the profit which both British and Indian troops appear to make out of their kit and clothing allowances ?

6. What percentage of the clothing allowance returns to the State in payment for articles from Ordnance Stores ? If possible this figure should be given by Arsenal and Depots.

7. The Committee would like to have the average annual issues other than to recruits during the last three years of ankle boots and khaki drill uniform. If possible, they would like to have the issues from say, (a) the Kirkee Arsenal, (b) the Rawalpindi Arsenal separately.

8. It appears from the note that replacements out of the clothing allowances are not by any means made solely by purchase from Ordnance : if this is so, in what way are average annual issues taken as the measures of the life of various articles ?

9. Are there any cases in which chaplis, etc., could be economically substituted for boots ?

10. In view of the fact that prices have fallen since 1930 ought not the allowance to be reviewed without delay and would it not be advantageous to have an annual review ?

11. It is stated that troops are required to obtain their replacements from Ordnance but apparently do not do so to the full extent. Is this due to the fact that both the rates of issue and the allowance based on those rates are too high ?

12. What are the scales of free issues of warm clothing at cold stations ? What are the stations ? And are the issues returned to store at the end of the cold weather ?

13. How long has the great coat scheme been in force and are there any statistics to show that it has been a success ?

14. Does the great coat scheme apply to British as well as Indian troops ? If not, what is the system as regards British troops ? Does the scheme take into account service in stations where great coats are very seldom worn ? Can figures be given showing the

condemnation of great coats under the scheme in any infantry unit which has been stationed for 3 years or more in Calcutta, Allahabad or Bangalore and any infantry unit stationed for a similar period in Lahore or Rawalpindi ?

15. Why is the life of the great coat fixed at 5 years ? What is the life fixed in England and is the pattern the same ?

16. Is the great coat the same pattern and the same weight for all stations ? Is it necessary for all stations ? Would it be possible and economical to have different patterns and weights at different stations ?

17. Do the Auxiliary and Territorial forces and the University Training Corps receive great coats, and if so, what scheme applies to them ?

18. Would it not be economical to treat blankets and durries as public clothing ?

19. Do fellows receive free issues of any foot-wear or clothing ? If so, what. Could the issues, if any, be made from articles which may be considered unserviceable for fighting troops.

20. What is the outfit allowance, if any, given to officers of the British and Indian Services, to nurses and to school mistresses ?

MILITARY FARMS DEPARTMENT: GRASS FARMS.

(Estimates, Page 188).

The charges in the estimates are as follows :—

India	66,19,000
England	41,000
	<hr/>
	66,60,000
Less receipts	4,10,000
	<hr/>
	62,50,000

The staff is stated to be as follows :—

Officers	13
British Managers	49
British Students	5
Indian Overseers	90
Clerks	123

As regards officers, it is stated in the administration report for 1929-30 that the total number is 19 of whom 2 are at Army Headquarters. The discrepancy may kindly be explained.

The Committee would like to have information on the following points :—

(1) It is observed that the control of grass farms is being delegated to Commands saving Rs. 75,000. Can any further economies be made in the present financial crisis ?

(2) How are the officers distributed and what are their duties and those of the Director at Army Headquarters ?

(3) Who are the British students and on what terms are they appointed ?

(4) Is it necessary to have so many British Managers ? Could not less expensive Indian agency be employed ? What are the terms of employment of these Managers ? How are they recruited and with what qualifications ? If engaged on contract when do terms expire ?

(5) It is observed from the latest trading account that there was a net loss of Rs. 24,000 stated to be due to low rates of payment issues. To whom are these issues made and why have receipts fallen in recent years? How are prices of issue calculated? Can they be increased?

(6) How far has it been possible or will it be possible to close grass farms and reduce production and purchase of fodder as a result of mechanisation?

(7) Was it ever considered whether the farms could be let out to contract for a guaranteed supply?

(8) Could not farms undertake more extensively the supply of vegetables to troops?

(9) What stocks are held at present? Is it necessary to maintain a Farm Reserve as well as a mobilisation reserve?

(10) It is noted that the cost of fodder produced is cheaper than purchased fodder. Are the two classes of the same quality? What are the quantities of bhoosa and hay produced and purchased and what is the relative food value of each?

(11) Are grass farms as near as possible to the main consuming stations and are any uneconomically situated owing to cost of transport?

(12) With reference to page 25 of Administration Report, why do production rates vary so much (page 29). Why is the general supply rate so high at Quetta and Bannu and fodder losses also so high at these places (page 34)?

(13) Why are I. A. S. C. purchases so high in Lucknow and Peshawar circles? (page 27).

(14) What are the present purchase and production rates and how are latter rates calculated? What arrangements are in force for purchase of fodder?

(15) What are the miscellaneous charges of about Rs. 6 lakhs shewn on page 188 of the Estimates?

(16) How far can capital expenditure be eliminated at the present time?

(17) What is the cost of Lee concessions and sea passages? Are there any special allowance given in addition to pay?

DAIRY FARMS.

(Estimates, Page 190.)

The following is the expenditure shewn in the estimates —

	Rs.					
In India	33,05,000
In England	68,000
						<hr/> 33,73,000
Less Receipts	27,10,000
					Net	<hr/> 6,63,000

The following is the staff at present maintained :—

Officers . . . . .	..	..	..	..	..	4
British Managers ..	..	..	..	..	..	23
Indian Managers ..	..	..	..	..	..	3
Supervisors, etc. ..	..	..	..	..	..	62
Apprentices .. .. .	..	..	..	..	..	74
Clerks .. .. .	..	..	..	..	..	88

The Committee would like information on the following :—

(1) Could not the process of Indianisation be expedited with economy ? On what terms are British Managers employed ? How many have been engaged locally and how many recruited from England ?

(2) What are the rates of pay of British and Indian Managers respectively ? Do they or any of the staff get free quarters ?

(3) What are the duties of the officers connected with this Department ? Could not the administration be delegated to Commands ?

(4) What are the arrangements for supply of dairy produce by contract and how do prices paid compare with the produced article ? What is the total expenditure on such purchases ?

(5) To whom is dairy produce supplied (a) free and (b) on payment ? Is it supplied to non-military customers ? How do prices charged compare with prices of dairy produce prepared on modern lines in selected centres ? What customers purchase wholesale and do they get special terms ?

(6) Has it been considered whether these dairies could economically be handed over to commercial firms on a contract to supply graded produce ? Could economy be effected by the purchase of milk from contractors, the Army maintaining only pasteurising establishment.

(7) How is the difference between expenditure (33 lakhs) and cash receipts (27 lakhs) accounted for ?

(8) What proportion of the troops is served by Dairy Farms ?

(9) On what are rail charges for Dairy Farms incurred ?

(10) What farms are run at a loss and what are the causes ? Should not such farms be closed down ?

(11) Cannot prices be raised ? Why are prices charged to " families " lower than those charged to troops etc. ? What are included in the term " families " ?

(12) It is observed that there is a considerable annual capital outlay on replacements. How far can this be eliminated while the present financial crisis continues ? On what purposes is such outlay incurred ?

AUXILIARY AND TERRITORIAL FORCES.

(*Estimates, Page 286.*)

(1) How is the permanent staff of (a) the Auxiliary Force (b) the Territorial Force (c) the U. T. C. fixed ? Is regard paid to special local conditions in this respect ? How far is training carried out solely by the permanent staff and how far by the officers of the units ?

(2) What are the duties of the officers of the permanent staffs and in particular the duties of the Indian officers on the staff of Provincial Territorial Battalions ?

(3) What is the rank of officers on the permanent staff of Provincial Territorial Battalions ? Is it necessary to employ Lt.-Colonels on these staffs ? Could not command of the Battalions be taken by an officer of the unit or by a regular officer of more junior rank ?

(4) Could not Indian officers be employed to a greater extent with good results ? Would it be conducive to economy and efficiency to substitute in any case for British Sergeant instructors Indian N. C. Os. or ex-N. C. Os. ?

(5) Is there no possibility of reduction in the permanent staffs of the Auxiliary and Territorial forces ? In particular is it essential to have both a Sergeant-Major and an A. Q. M. S. in each unit ?

(6) What scale of clerical assistance is given and could this scale be reduced ?

(7) On what basis are stocks of stores maintained by units ? Could these be reduced In particular are hose and puttees issued to the same units ?

- (8) What allowances are given for contract, contingent and special expenditure ?
- (9) What training is carried out by the respective forces annually ? Could the periods be reduced to secure economy in the present financial position ?
- (10) What pay, allowances, or other emoluments are drawn by officers and men (a) during training and (b) outside the training periods ?
- (11) Do the units other than infantry justify the expense of their maintenance ? Particularly what is the need for medical, veterinary and searchlight units ?
- (12) What use has been made during the past five years of (a) Auxiliary (b) Territorial (c) U. T. C. units ?
- (13) With reference to sub-paragraph (v) of paragraph 4 of the Branch note, please indicate what drastic reductions could be made if military considerations were alone taken into account.
- (14) Can the military authorities suggest any scheme for obtaining greater efficiency for the money spent ?
- (15) What use has been made during the last three years of the special Rs. 10 lakhs earmarked for expenditure on the development of the Territorial Force ?
- (16) Is there any programme of capital expenditure on stores and works for these forces and what reduction in such expenditure is possible in the present and ensuing years.

ROYAL AIR FORCE.

(Estimates, Page 296).

1. The Committee would like to know the functions of the R. A. F. in India and upon what policy the standard of equipment and training is based.
2. What was the original object of the institution of the Royal Air Force in India. Did that object include the reduction of the Army ? If so, has any reduction in fact resulted from the expansion of the Royal Air Force.
3. Is the Royal Air Force intended in any way for internal security purposes ?
4. Is the employment of the Royal Air Force in India still in an experimental stage ?
5. What were the recommendations of the Salmond Committee as to the strength of the Royal Air Force and have they been worked to ? If the Salmond Committee recommendations have been exceeded, to what extent and on what grounds ?
6. Is there any programme of expansion of the R. A. F. in contemplation ?
7. When was the capitation rate introduced, and what is the present position of the question ? How many air officers and airmen are sent to India annually ?
8. What is the scale of flying hours now in force ? If the scale were reduced by half while the present financial crisis continues, what savings would result in consumption of fuel, oil, stores, overhauls and replacements ?
9. The Committee observe that it is stated that the normal tour of duty in India for officers and men is five years. They would like to know the average of officers and men returned during the last year and the lowest service in each case.
10. They would like to have details of the staff of officers and men at R. A. F. Headquarters and at the headquarters of groups and wings and of their duties. What is the need for Headquarters at Simla ? It is noted that throughout the Force there are 381 clerks and civilians. How many are Indians ? Is any reduction possible ?
11. The Committee note that the Depot costs about Rs. 18 lakhs and the park over 4 lakhs. They would like to have details of the staff employed in these formations.
12. What is the justification for the maintenance of a Park at Lahore as well as a Depot at Karachi ? Does this not involve duplication of work ?

13. How far does the repair section in the Depot work up to full load? What is the cost of complete overhauls of engines at the present time? Are any sent Home for overhaul and if so, what is the average cost?

14. Why should not all repairs of motor transport and work on motor bodies be entrusted to the Army formations? Has this question recently been considered in conjunction with the Army authorities?

15. What is the total establishment of mechanical transport maintained by the R. A. F. in India, distinguishing those vehicles which are technical and special to the R. A. F.?

16. The Committee are not quite clear about the quantity of stores maintained in India as described in paragraph 21 of the Memorandum. They will ask for further elucidation in oral evidence. *Prima facie*, the total amount held in all formations appears to be excessive and the Committee will wish to know whether some risk in reserves should not be taken in the present times. In particular, they would like to know the working and mobilization reserves of engines and machines. What was the number of engines written off in the last two years?

17. On what principle is the stock of bombs based? What was the greatest value of explosives consumed in any one month during the past three years? What is the value of bombs written off charge annually (other than those expended in practice). The Committee would like to know how many bombs are in stock, divided according to the years in which they were imported.

18. On what principle is the stock of petrol based? Is it necessary to maintain such large stocks and what is the annual wastage? Can any arrangement be made with Petrol Companies to hold stocks for the Force.

19. The Committee would like to know the total value of stores and supplies obtained last year—

- (a) from Home.
- (b) through the I. S. D. in India.
- (c) through Director of Contracts.
- (d) by local purchase.

They would also like to know whether full use is made of the manufacturing capacity of the Army factories in India.

20. They would like to have in oral evidence further information on the questions raised in paragraphs 25 and 26 of the Memorandum.

21. As regards the clothing allowances, they would like to know the rates for British and Indian personnel. In view of the great fall in prices, they would like to know whether a further revision should not be undertaken. When was the last revision?

22. As regards works, it is observed that the total expenditure is Rs. 25 lakhs. The Committee would like to know—

- (a) How far new works can be eliminated next year?
- (b) How far works in progress could be suspended or spread over a longer period without undue payment for compensation?
- (c) Is there any regular programme of new works for future years?
- (d) How far the charges for maintenance can be reduced having regard to the fact that most of the works are of recent construction? Why does the Chief Engineer require an officer to assist him?

23. As regards air routes, what co-operation is there with Civil aviation in respect of landing grounds, etc.?

24. With reference to paragraph 37, the Committee would be glad of further advice as to the directions in which economy can be effected. They have noted an impression that in respect of works generally Air Force standards are more costly than Army standards. They would like to know how far this is so.

25. in regard to the special medical and educational establishments the Committee are not convinced of the necessity for separate establishments apart from those maintained by the Army. If the Air Force cannot depend on Army establishment, could not the Army find economy in using Air Force establishments wherever they exist ?

26. Are children of airmen sent to Army schools where available ? How many children are there in the Air Force schools ?

27. To what extent is the system of educational instruction generally by instructors of the unit in force in the R. A. F. as in the case of the Army ?

28. What is the need of a special Air Force Hill Station ? Under what conditions are airmen and their families sent to the hills and at what cost ?

29. The reasons for two senior medical officers at Army Headquarters appear unconvincing and the Committee would like further information in oral evidence.

30. The Committee would like to have further information as to the reserve pool of officers and what reduction is proposed. Is it necessary to keep two officers at the Staff College ?

31. The Committee observe that there is apparently an Accountant Officer at the Dépôt. What are his functions and what his relations with the Deputy Controller of Accounts ?

32. Are priced store accounts kept in the Air Force ? If so, are they on the same basis as in the Army ? What use do they serve ? Could economy be secured by a change of system under which the formations kept their own accounts subject to independent audit of the Military Accountant General ?

33. Are there any Class I followers ? If so, what are their duties ?

34. Lastly, the Committee consider that the financial situation makes it absolutely essential that there should be a material saving in the cost of the R. A. F. for some time to come and they would be glad if the authorities would again consider how such material reductions in expenditure can be secured.

ROYAL INDIAN MARINE.

(*Estimates, Page 342.*)

(1) The Committee would like a brief statement showing the services rendered during 1930 under (b), (d) and (e) of paragraph 3 of the Memorandum.

(2) The Committee would like a statement showing the distribution of the cadre of officers under each grade. They would also like to know the number of warrant officers, their rates of pay and allowances and the method of and qualifications for appointment. How many are Indians ?

(3) What is the capacity of the dockyard and to what extent is it working up to full load ? Does it do work for the Royal Navy and for other Government institutions and private shipowners or others ? Could the possibility of leasing the yard now be considered ? From what sources is power obtained ? What facilities exist in civilian yards in Bombay suitable for the work now being carried on in the dockyard ?

(4) What are the accounting arrangements regarding the sale proceeds of Kidderpore Dockyard and is there any balance in hand or in prospect ? Is any further capital expenditure from the proceeds contemplated ?

(5) Are there any schemes in contemplation for the further development in the near future of the R. I. M. ?

(6) The Committee would like to have oral evidence on the stores position which is not entirely clear in Annexure IV. What is the total volume of stocks in hand and what was the value of the annual consumption during the last 3 years ?

(7) As regards stores, is full use made of the Army Ordnance Department for supply of stores suitable for Marine use ? Are there any articles obtained or which could be obtained from the Ordnance Factories ? So far as direct purchases are made, is there a system of open tender ?

(8) Has there been any detailed review of the incidental and miscellaneous expenditure? Are any items of this expenditure provided for by fixed allowances; if so, should not these be revised in view of the fall in prices?

(9) Is there a system of review of the wages of followers and labourers in the light of market rates? When was the last review?

(10) What is the system of issue of rations and clothing to officers and men of the service? What are the scales? Are any allowances given in lieu? If so, please give full details. If clothing is issued in kind, is it obtained from the Army Clothing Factory?

(11) What are the details of the staff at R. I. M. Headquarters and what are their duties?

(12) What is the total annual expenditure on repairs to the craft? How is the annual provision calculated?

(13) Why is the Marine Survey office located at Coonor? What is the staff and what duties do they perform?

(14) The Committee will take further oral evidence as to the origin, nature and necessity of the various allowances shown in Annexure III of the Memorandum.

MILITARY ENGINEER SERVICES.

(Estimates, Page 356).

(1) The Committee note that it is proposed to limit the budget to Rs. 400 lakhs gross and Rs. 354 lakhs net for the future and at the same time to continue amenity, mobilization and other works. They would like to have a clear statement shewing the proposed budget under the heads:—

- (i) New works (ii) Works in progress which are (a) definite commitments by contract (b) not yet definite commitments (iii) maintenance charges (a) buildings (b) roads (c) electrical installations.

(2) What items are included in the overhead charges of 16% showing proportion which each item bears to the total?

(3) Does not the fixing of schedule rates tend to keep prices up to that limit? What object does it serve? How often are the schedule rates revised and when was the last revision? Could not a system of lump sum contracts be more frequently employed?

(4) Are all contracts put out to open tender? What financial scrutiny of contracts exists? What powers exist to alter terms of the contract without reference to financial authority or to accept tenders other than lowest? What control, if any, does (a) the Headquarter staff (b) the Command staff (c) the district staff exercise over contracts?

(5) Are there any cases in which contracts are not put out to open tender? What rules govern such cases?

(6) Are there any cases in which maintenance contracts are held by the same contractor for more than a year without review?

(7) Are there any special conditions applicable to contracts made in the Frontier Province and in the administered area?

(8) How are production costs for electricity and water fixed?

(9) The Committee would like to have further oral evidence on the question of water rates and taxes and figures from representative cantonments to illustrate how the loss to Army funds arises. How do the rates and taxes charged compare with those for water supplied by the municipal authority in neighbouring municipalities?

(10) Would it be possible to devise a programme of metering for points or places where the heaviest losses occur?

(11) What is the degree of decentralisation to Commands proposed as compared with the present system. What references will still be necessary to Army Headquarters and will

it be possible to make further reductions there when the system is in working order ? Can decentralization be carried still further ?

(12) Can any idea be given of the approximate saving which could be secured by the introduction of the system of accounts advocated having regard to the additional audit which would be necessary ?

(13) How many of the 175 officers on the present cadre of the M. E. S. are required at once on mobilization and subsequently ? How many were employed on field service in the worst operations on the frontier of recent times ?

(14) How far is civil P. W. D. agency already employed and could not the use of this agency be extended with a consequent reduction in the number of R. E. officers ?

(15) What is the number of British subordinates employed and is any programme of Indianisation in force ?

(16) To what extent would it be possible and economical to demilitarize the M. E. S. at any rate in certain areas ?

(17) Are there any reasons why the collection of rents, etc., should be carried out by the M. E. S. rather than by the Accounts Department ?

(18) Could a system of monthly payments to contractors be introduced economically ?

(19) Would it be possible with economy to introduce a system by which payments are made direct to contractors by cheque by the Accounts Department ?

(20) Could any simplification of rules and regulations be advantageously revised ?

(21) Would it be possible with economy to reduce the standards of specification and of the materials used ?

(22) What is the system of payment for inferior accommodation and for deficient scale of furniture and what is the justification for the system ? What saving would be made by its abolition ?

(23) The Committee would like any further suggestions the Department would like to make regarding the possible elimination of any existing posts and also the replacement of existing posts by posts of lower status.

(24) What special allowances, duty or local, are given to personnel of the M. E. S. ?

(25) A copy of certain suggestions made to the Committee is attached. In so far as the points are not covered by previous questions, the Committee would like to have oral evidence on them.

MILITARY ENGINEERING DEPARTMENT.

Points of detail for consideration.

M. E. S. officers in charge of executive offices are over-burdened with office work resulting from the detailed and complicated nature of the numerous Regulations of the Service; Accounts Manuals, Technical Instructions, Standing Orders, etc. Simplification of the Regulations would result in substantial reduction in clerical staff both in executive offices and in the Audit Department and would also enable the engineer to exercise a more thorough supervision over the execution of engineering works which is really his work. This object might best be achieved by a wholesale replacement of the present technical organisation and the procedure generally by a system based on that obtaining in the R. E. Services under the War Office in England, modified to suit Indian conditions. This would have the further advantage that an engineer transferred from the Home Establishment, between which and the Indian establishment there is a constant interchange of officers, would be usefully employed at the outset instead of having to adapt himself to a system of work to which he is entirely unaccustomed.

(2) Some of the directions in which economy may be effected are :—

(1) The adoption or extension of the system of Lump Sum Contracts instead of Measurement Contracts. This ensures the more careful working out of plans and

specifications before the project is actually started. The contractor knows exactly what he has to do and what amount he will receive on the completion of the work. The results to Government are generally much more favourable while the work of preparing detailed estimates and of taking down and checking detailed measurements is almost entirely eliminated.

(2) The transfer to other agency of work connected with (a) the allocation and occupation of buildings and (b) the recovery of rents, electric light and water charges, etc. Employment of technical staff on this work, once the rents and charges have been assessed, is uneconomical and should be undertaken (a) by the Q Services and (b) by the Military Accounts Department, except as regards provision of furniture and other equipment *in bulk* to units.

(3) Payments to contractors and others should be made entirely by cheques issued direct by the Accounts Department as under the War Office system. The present practice of making all payments in the presence of the Garrison Engineer or other officer involves a deal of unnecessary work and useless entries in the cash book kept by the accounting officers. Probably about 40 per cent. of such entries would be obviated by direct payment by cheques as in the War Office system, under which the O. H. M. S. cheque form itself acts as the payee's receipt for the money.

(4) While the technical powers of M. E. S. officers to sanction estimates, etc., are generally suitable, their powers in regard to non-technical matters are absurdly inadequate in such matters for instance as contingent charges, conveyance allowances to subordinates, etc.

(5) The numerous returns, etc., called for involve a lot of clerical work. Some Chief Engineers and C. R. Es. require the submission of additional returns over and above those prescribed by the Regulations. Many of these returns serve no useful purpose. Unnecessary and unauthorised returns should be abolished and a revised list published, addition to which should be strictly forbidden.

(6) Cost of manufacture of Barrack and Hospital Furniture could be considerably reduced and its quality improved by the use of modern machinery, which would enable skilled labour to be largely replaced by unskilled labour.

Points of
general applica-
tion.

(7) The purchase of stores from the Indian Stores Department on Running Contracts leads to much correspondence and waste of time. The contract once made by the I. S. D., all orders should be made and bills settled direct with the contractor. No audit staff would be required to see that the bills correspond with contracts, economy would be effected in forms, bills (which are submitted to the I. S. D. in quintuplicate) and postage charges; and delay in payment of bills avoided. I. S. D. overhead charges and the cost to the M. E. S. and other departments dealing with the I. S. D. would be reduced.

Points of
general applica-
tion.

(8) Considerable waste of electric energy occurs in the Army and in other Government departments by electric light and fans being left on in unoccupied or partly occupied rooms in Government buildings and by the use of unnecessarily high candle power lamps in passages, verandahs, etc. Economy would be secured by impressing its necessity on all concerned and by fixing reasonable consumption figures, permitting the occupants of the buildings to share with Government the savings effected on those figures.